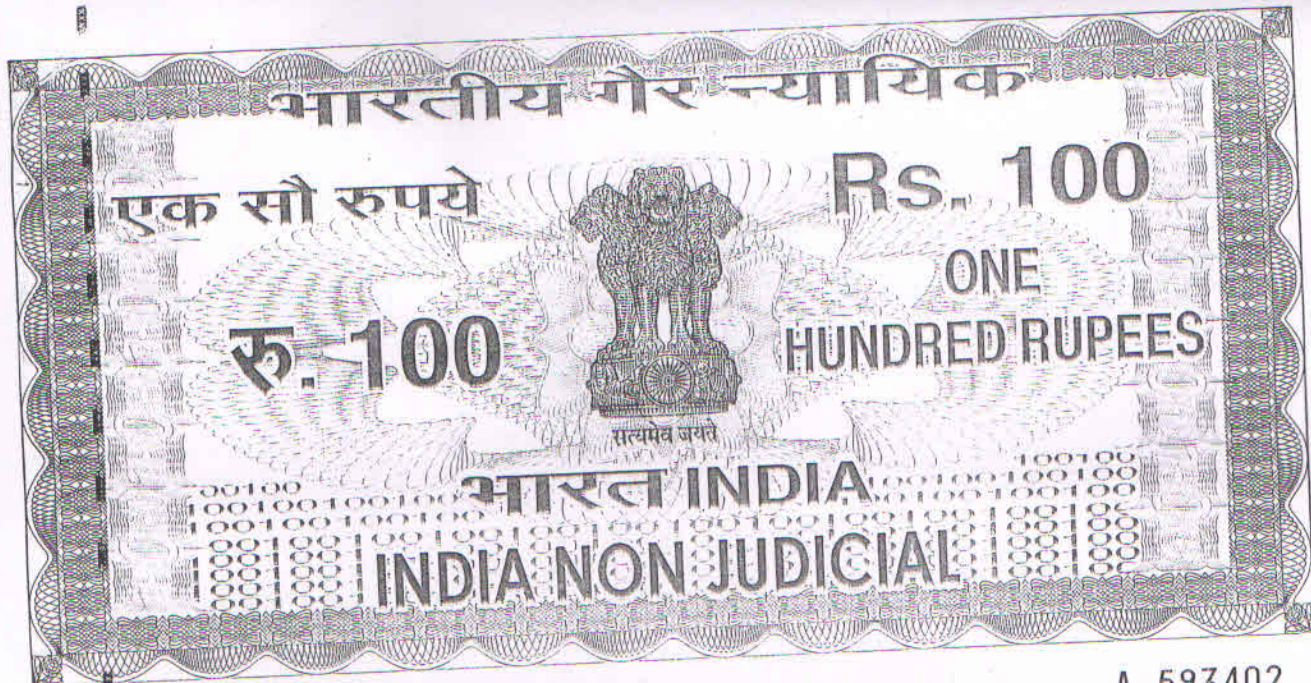


REVENUE RECEIVED AT GIS S/STN PHOJAL YEARWISE BREAKUP

	IPP Name	Transmission Charges (in Rs.)				Remarks
		FY2016-17	FY2017-18	FY2018-19	FY2019-20	
1. 33/220kV GIS Substation at Phojal along with Transmission Line (COD 05.06.2016)	1. M/s Kanchanjunga Power Company Limited	₹ 4,681,876.00	₹ 9,923,240.00	₹ 8,176,128.00	₹ 3,975,118.00	Calculated From June 2016 to Aug 2019
	2. Himachal Pradesh State Electricity Board Limited (HPSEBL)	₹ 1,382,710.00	₹ 5,472,000.00	₹ 5,472,000.00	₹ 2,280,000.00	Calculated From June 2016 to Aug 2019
	Total	₹ 6,064,586.00	₹ 15,395,240.00	₹ 13,648,128.00	₹ 6,255,118.00	
	O & M Charges (in Rs.)					
		FY2016-17	FY2017-18	FY2018-19	FY2019-20	
	1. M/s Kanchanjunga Power Company Limited	-	-	-	₹ 1,262,902.00	
	Total	0	0	0	₹ 1,262,902.00	
Grand Total (Transmission +O&M Charges)		₹ 6,064,586.00	₹ 15,395,240.00	₹ 13,648,128.00	₹ 7,518,020.00	
TOTAL REVENUE RECEIVED (FY16-17+FY17-18+FY18-19+FY19-20)					₹ 42,625,974.00	



हिमाचल प्रदेश HIMACHAL PRADESH

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INTERIM POWER TRANSMISSION AGREEMENT

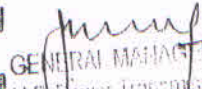
THIS INTERIM POWER TRANSMISSION AGREEMENT (hereinafter referred to as "TSA" or "Agreement") is being entered into on 30th Dec, 2016 at Shimla by and amongst the Parties named below to record the terms and conditions subject to which AD Hydro Power Limited agrees to wheel the energy of various Hydro Power generators and Himachal Pradesh Electricity Board Limited injected by Himachal Pradesh Power Transmission Corporation Limited from the interconnection points to Nalagarh Pooling Point using its Associated Transmission System.

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Khalini, Shimla 171002, Himachal Pradesh, hereinafter referred to as "HPPTCL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by its authorized representative.

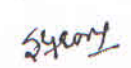
AND

HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD, a body corporate constituted by Government of Himachal Pradesh under the Companies Act 1956, having its registered office at Kumar House, Vidyut Bhawan, Shimla 171004 hereinafter called "HPSEBL", which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns) of the Second Part being represented by its authorized representative.

("HPPTCL" and "HPSEBL" are individually referred to as "Party" and collectively referred to as "Parties").


GENERAL MANAGER (Prof.)
H.P. Power Transmission Corp. Ltd.
Barowalia House, Khalini Shimla - 2

- 1 -


Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

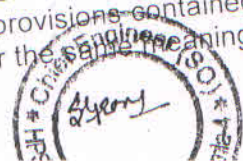
WHEREAS

- A. ADHPL is operating and maintaining a 192 MW hydroelectric project in the Kullu District of Himachal Pradesh, including the 220 kV Associated Transmission System from its Power House at Pirni up to Nalagarh as part of its 192 MW Hydro electric project ("**ADHPL Project**").
- B. HPPTCL is a state owned transmission company and has taken up to evacuate the power of various Hydro Power Generators (hereinafter referred to as IPP's) in the Beas valley (hereinafter referred to as "HPPTCL Customers"). In order to evacuate the power of these IPPs, HPPTCL has constructed the 220 kV D/C Transmission Line for a length of approximately 6.95 KM and a 220 kV Phojal sub-station ("**HPPTCL Assets**") interconnected with the 220 kV D/C ADHPL-Nalagarh Associated Transmission System ("**ADHPL Assets**").
- C. HPPTCL is presently wheeling the power of 24 MW Bara Gram Hydro Electric Project set up by M/S Kanchanjunga Hydro Power Private Limited in the valley and intends to wheel 11.4 MW of HPSEBL power from appointed date.
- D. ADHPL has agreed to wheel the energy/power injected by HPPTCL of its users i.e. "M/S Kanchanjunga" and HPSEBL subject to availability of unused capacity of its 220 kV Associated Transmission System after accommodating the injected energy/power from ADHPL and EPPL on such terms and conditions stated in this agreement.
- E. ADHPL is already wheeling the energy/power of EPPL (A 100 MW Hydro Electric Project in Kullu) on its associated transmission system from Chharor Substation of EPPL to Nalagarh in terms of Interim Power Transmission Agreement dated 9th August, 2011, signed between ADHPL and EPPL pursuant to the interim order of APTEL dated 10th June 2011 which was directed to be continued by the Hon'ble Supreme Court of India vide orders dated 08.03.2013 and order dated 24th August 2015 in Civil Appeal No. 1795/2013 filed by ADHPL against final order of APTEL.
- F. The parties have agreed to incorporate the terms of the interim agreement between ADHPL and EPPL into this agreement until further orders of the Hon'ble Supreme Court of India in Civil appeal No. 1795/2013.
- G. Wheeling of energy of "M/S Kanchanjunga" and HPSEBL is subject to achieving the Appointed Date, and furnishing of the Letters of Credit and Bank Guarantees, to the satisfaction of ADHPL and HPPTCL.
- H. HPSEBL shall obtain all requisite approvals from CTU and HPSLDC for injection/drawl of energy into HPPTCL System in ISTS Grid and HPSLDC has given its consent for scheduling and metering of energy injected by HPSEBL.
- I. HPSEBL has long term Transmission Service Agreement with HPPTCL and presently the injection/drawl by the users of HPPTCL at 220 KV side of their Phojal substation after adding 4.75% losses for M/s AD Hydro system is being considered as the injection/drawl of HP at 400 KV Nalagarh substation. HPSEBL shall submit a drawl/injection schedule at Nalagarh CTU to facilitate the energy accounting for other generators at Nalagarh. Provided further that this injection/drawl of energy by HPSEBL shall not be subject to any adjustment from the free power obligations of ADHPL.

NOW, THEREFORE, in consideration of the premises and mutual agreement, covenants and conditions set forth herein it is hereby agreed by and between the Parties hereto as follows:-

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In this Agreement, unless the context otherwise requires, all capitalized terms shall bear the meanings ascribed to them in **Schedule I** of this Agreement and this Agreement will be interpreted in accordance with the provisions contained in Schedule I. Any other terms not defined herein, would bear the same meaning as:



provided in the Electricity Act, 2003 and the Rules & Regulations framed therein.

2. SCOPE OF THE AGREEMENT

2.1 Pursuant to the Orders of Hon'ble Supreme Court of India dated 08.03.2013 for the interim arrangement and 24th August 2015 of Hon'ble Supreme Court of India in the matter of Civil Appeal No. 1795/2013 between **A D Hydro Power Limited vs Everest Power Private Limited and Ors** filed by ADHPL, the parties agree that HPPTCL shall inject "M/S Kanchanjunga's" and HPSEBL's energy/power at Interconnection Points and ADHPL agrees to wheel from the appointed date "M/S Kanchanjunga" and HPSEBL injected energy/power from inter connection point to Nalagarh Pooling Point through the Associated Transmission System of ADHPL.

2.2 The wheeling of power of "M/S Kanchanjunga" and HPSEBL from associated transmission system of ADHPL shall be subject to the first right of use by ADHPL. An authorized representative of ADHPL shall be deployed at the Phojal Sub-Station.

3. TRANSMISSION CHARGES AND TRANSMISSION LOSSES

3.1 HPPTCL shall pay to ADHPL, Transmission charges for wheeling of the power of "M/S Kanchanjunga" and HPSEBL from the Interconnection Points to Nalagarh Pooling Point or Nalagarh Pooling Point to Interconnection Points using the Associated Transmission System.

3.2 The details of Transmission charges for wheeling of 24 MW of "M/S Kanchanjunga" and 11.4 MW of HPSEBL power are set out in **Schedule II**.

3.3 In case of adding the power of any other HPPTCL Customer by HPPTCL, the charges shall be re- calculated on the same methodology and **schedule-II** shall be amended accordingly.

3.4 In addition to the payment of Transmission charges to ADHPL, M/S KANCHANJUNGA and HPSEBL shall be required to pay the transmission charges for the usages of the system owned by HPPTCL i.e. Phojal Sub-Station and Transmission line from the Sub-Station to the LILO point with AD Hydro system @ Rs. 40,000/- per MW per Month subject to adjustment as per tariff order to be passed by the Regulatory Commission in future.

3.5 In addition to the payment of Transmission charges to ADHPL and HPPTCL, M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED and HPSEBL shall bear the Transmission Losses on the Injected Energy / Power of "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" evacuated through ADHPL's Associated Transmission System @ 4.75% (Four Point Seven Five percent) of injected power and energy at the interconnection point.

By way of an illustration it may be clarified that if the Injected Energy of "M/S Kanchanjunga" and HPSEBL at the interconnection point is 100 MU, the Delivered Energy of M/S Kanchanjunga and HPSEBL at Nalagarh shall be (100 – 4.75) MU = 95.25 MU. Similarly, if 100 MW is the injected average power in a block of 15 minutes, as recorded by ABT meters installed at interconnection point, the delivered power of M/S Kanchanjunga and HPSEBL at Nalagarh shall be 95.25 MW in the same block of 15 minutes.

3.6 "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" and HPSEBL shall also bear the Transmission losses in the HPPTCL system.

4. TERM

4.1 This Agreement shall come into full force and effect from the date of the interconnection of the HPSEBL system with Associated Transmission System of HPPTCL at Phojal, the Interconnection Point ("**Appointed Date**").

4.2 This Agreement shall be subject to modification in such terms which may be

required to incorporate the effect of the order of the Hon'ble Supreme Court of India in the matter for use of dedicated transmission line by any other users in civil appeal number 1795/2013. The Parties agree that upon such orders this agreement shall be restated / amended in accordance thereof within 30 days.

5. OPERATION AND MAINTENANCE

- 5.1 ADHPL will undertake and be responsible for the operation, maintenance and repair of the Associated Transmission System (ATS) in accordance with the Prudent Utility Practices, the Indian Electricity Grid Code, instructions of HPSLDC/NRLDC and Applicable Law. However HPPTCL will undertake and be responsible for the operation and maintenance of the HPPTCL Assets at Phojal.
- 5.2 The operation and maintenance charges shall for the time being be borne by the Parties in the manner set out in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.
- 5.3 The HPSLDC/Northern Region Regional Load Dispatch Centre will –
- (a) Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the ADHPL Project, EPPL Project, M/S Kanchanjunga and HPSEBL separately; and
 - (b) Settle the UI/Deviations directly with M/S Kanchanjunga and HPSEBL.
- 5.4 Schedule and dispatch the power generation, prepare UI accounts and energy accounts for "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will be done by the HPSLDC.

6. OUTAGES AND AVAILABILITY OF THE SYSTEM

- 6.1 The Parties will agree upon the Scheduled Outages Plan.
- 6.2 ADHPL shall have the first right of use of its Associated Transmission System and any unused capacity left after the usage of ADHPL and EPPL shall be allowed to be used by the HPPTCL for M/S Kanchanjunga and HPSEBL.

7. METERING AND ENERGY ACCOUNTING

- 7.1 The Parties agree that the metering will be undertaken in accordance with the provisions set forth in **Schedule III**, subject to the approval of NRLDC/ HPSLDC.

8. PAYMENT AND BILLING

- 8.1 All payment and billing in respect of the Transmission charges and any other payment, reimbursement or charges payable by M/S Kanchanjunga and HPSEBL to ADHPL and HPPTCL shall be done in accordance with the provisions of **Schedule IV**.

9. FORCE MAJEURE

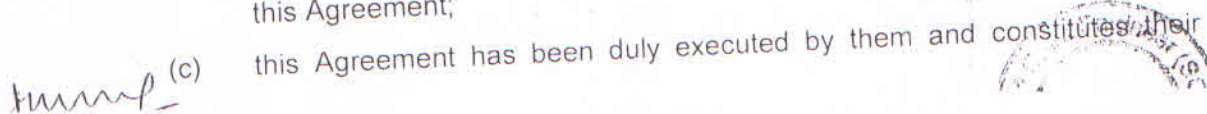
- 9.1 This shall be as per Indian Electricity Grid Code.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 The Parties represent and warrant to each other that:

- (a) they are duly authorize and validly existing under the laws of India, and have full power and authority to execute, deliver and perform their obligations under, and to carry out the transactions contemplated in, this Agreement;
- (b) they have taken all necessary corporate and other actions under Applicable Law to authorise the execution, delivery and performance of this Agreement;

(c) this Agreement has been duly executed by them and constitutes their



legal, valid and binding obligations, enforceable against them in accordance with the terms of this Agreement;

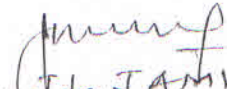
- (d) they have the financial standing and capacity to undertake their obligations in accordance with the terms of this Agreement and they are not insolvent and no insolvency proceedings have been instituted, nor threatened or pending against them.

11 CHANGE IN LAW

- 11.1 M/S Kanchanjunga and HPSEBL in proportion to their installed capacity shall bear the expenses incurred towards, or as a consequence of a Change in Law. However, if any additional statutory expense occurs solely due to sharing of Associated Transmission System of AD Hydro as well the HPPTCL system, then the same shall be fully borne by M/S Kanchanjunga and HPSEBL.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR REPRESENTATIVE / DULY AUTHORISED OFFICERS AS OF THE DATE SET FORTH ABOVE.

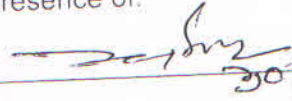
SIGNED & DELIVERED by the within name
HIMACHAL PRADESH POWER
TRANSMISSION CORPORATION LIMITED
Through its authorized signatory


(ER J.L. JAMWAL)
GENERAL MANAGER,
H.P. Power Transmission Corp. Ltd.
Bhawana House, Khalini Shimla - 2

SIGNED & DELIVERED by the within named
HIMACHAL PRADESH STATE ELECTRICITY BOARD
LIMITED
Through its authorized signatory,

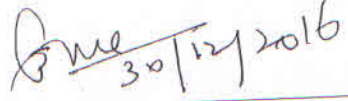

(Ee. Suneel Grewal)
Chief Engineer (System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

In the presence of:

1. 
30/12/2016

Name Er. Joginder Singh

(Address SEC (Inter-State), HPSEBL
Tatu, Shimla-11.)

2. 
30/12/2016

Name Sandeep Kumar Haryna

(Address Hinged Bhawan
Pajari, Below old
MLA Quater, Shimla-
171005)

SCHEDULE I – DEFINITIONS

DHPL

means 192 MW AD Hydro Power Project alongwith its Associated Transmission System.

EPPL Delivered Energy

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/ power minus Losses 4.75% of EPPL Injected Energy/power.

ADHPL Delivered Energy/power

The Total Delivered Energy/Power measured at Nalagarh minus the M/S Kanchanjunga, HPSEBL and EPPL Delivered Energy/Power shall be "ADHPL Delivered Energy/power".

ADHPL Installed Capacity

is 192 MW (as per Techno Economic Clearance);

ADHPL Project

has the meaning ascribed to it in Recital A;

Agreement

means this Interim Power Transmission Agreement;

Applicable Law

means any statute, law, ordinance, notification, rule, regulation, judgment, order, decree, bye-law, approval, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of the Government of India, Government of Himachal Pradesh or any Government Instrumentality or instrumentality thereof, as may be in effect on the date of the execution of this Agreement and during the subsistence thereof and applicable to the subject matter of this Agreement.

Appointed Date

means the date on which connectivity has been provided to HPSEBL system with HPPTCL's Phojal substation at interconnection points after meeting out the technical criteria.

Appropriate Commission

shall have the same meaning as set out in Section 2(4) of the Electricity Act, 2003 as amended from time to time;

Associated Transmission System

Means the Associated Transmission System (ATS) forming part of the ADHPL Project comprising 220 kV Double Circuit Line between ADHPL Project and Nalagarh Sub-station of CTU including two bays (owned by ADHPL) at Nalagarh Sub-station (owned by the CTU), two bays at Prini (owned by ADHPL).

CEA

means the Central Electricity Authority of India constituted under the Electricity (Supply) Act, 1948 and operating under the Electricity Act, 2003 including any successors which fulfill the same role;

CERC

means Central Electricity Regulatory Commission of India constituted under Section 76 of the Electricity Act, 2003 and any successors which fulfill the same role;

Change in Law

means the occurrence of any of the following after the date of this Agreement:

- a) the enactment, bringing into effect, adoption or promulgation of any new Applicable Law,
- b) the repeal, amendment, modification or re-enactment in whole or in part of any existing Applicable Law,
- c) the commencement of any Applicable Law,
- d) a change in the interpretation or application of any Applicable Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Applicable Law,
- e) the imposition (other than for cause) of a requirement for a Consent which did not exist, or was not applicable to ADHPL on the date of this Agreement,
- f) a change (other than for cause) in the terms and conditions attaching to a Consent after it has been given or the attachment of any new terms or conditions to such Consent,
- g) the revocation or cancellation (other than for cause) of any Consent.


GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowala House, Khatini Shimla - 2



- or
- h) change in the rate of tax, cess, levies, import duties or like charges, including the imposition of a new tax, cess, levy, import duty of like charges.
- i) Decision/Order of the Hon'ble Supreme Court of India in civil appeal number 1795/2013 between ADHPL vs EPPL and Ors in respect of use of a dedicated transmission system by others

Check Meters
Consent

refers to the check meters as depicted in **Schedule III**.

shall mean and include all authorizations, consents, licenses, approvals, registrations, clearances, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided;

Total Delivered
Energy/Power

means the total Energy/Power injected at the Nalagarh Pooling Point through the Associated Transmission System as determined in kWh on the basis of the readings of the Main Meters or Check Meters installed at the Nalagarh Substation.

Due Date

Has the meaning ascribed to it in **Schedule IV**;

EPPL

mean Everest Power Private Limited;

EPPL Delivered
Energy/Power

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/power at Chaurar Sub-station minus 4.75% of EPPL Injected Energy/power at Chhaur Sub-station.

EPPL Injected
Energy/Power

means the total energy/power generated and sent out by both the generating units of EPPL Project, as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Point at Chhaur ("EPPL Injection Point"). This amount of total energy/power injected shall be referred to as the "EPPL Injected Energy/power";

EPPL Injection Point
Forced Outages

Means the Interconnection Point at Chhaur.

means an outage that has not been scheduled to occur in accordance with the agreed Scheduled Outage as per the definition of the Indian Electricity Grid Code;

HPPTCL Assets

means 33/220 kV Phojal substation along with electrical and mechanical apparatus and 220 kV D/C Transmission Line from Phojal Sub-station upto the point of interconnection with ATS of ADHPL.

M/S Kanchanjunga

means **M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED** (24 MW Baragaon SHEP in Distt Kullu) having a back to back transmission agreement with HPPTCL for evacuating their power by use of ADHPL's ATS.

Injected Energy

means the total energy/power of M/S Kanchanjunga and HPSEBL injected by HPPTCL at interconnection points as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Points at Phojal. This amount of total energy/power injected shall be referred to as the "M/S Kanchanjunga Hydro Power Ltd and HPSEBL Injected Energy/power";

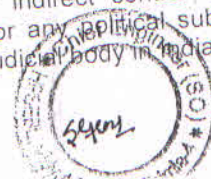
Delivered Energy

means energy injected by M/S Kanchanjunga and HPSEBL minus losses 4.75% of Injected Energy and minus the Transmission losses in the HPPTCL system. (As discussed in clauses 3.5 & 3.6 of IPTA)

Indian Governmental
Instrumentality

means Government of India, Government of any State of India or any Ministry, department, board, authority, instrumentality, agency, corporation or commission under the direct or indirect control of Government of India or any State Government or any political sub-division of any of them or any court or tribunal or judicial body in India;


GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowalia House, Khalini Shimla - 2



Indian Electricity Grid
Code or "IEGC"
Interconnection Facilities

means the Grid Code as defined in the Electricity Act, 2003;

Interconnection Points

means the facilities set up by HPPTCL at Phoal in the Kullu District of Himachal Pradesh, as may be required for the transmission of energy through the use of the Associated Transmission System, in accordance with the provisions of this Agreement and Prudent Utility Practice.

Invoices

means the points at which HPPTCL injects the power for M/S Kanchanjunga and HPSEBL into the Dedicated Transmission System of ADHPL from 220 kV substation of HPPTCL at Phoal.

Invoice Dispute

has the meaning ascribed to it in **Schedule IV**.

Invoice Dispute Notice

means a dispute with regard to Invoices issued in accordance with **Schedule IV**.

KW

has the meaning ascribed to it in **Schedule IV**;

KwH

means kilowatt;

means kilo watt hours;

Letter of Credit

has the meaning ascribed to it in **Schedule IV**;

Loss

means any loss, liability, damage, cost, expense, interest, fines, penalties, claims and amounts paid in settlement, suffered, incurred, paid or payable by ADHPL (including loss, or exposure, or cash call, shortfall or deficiency of any kind in connection with the transactions contemplated by this Agreement;

Main Meters

refers to the main meters as depicted in **Schedule III**;

Monthly Transmission
charges Invoice

has the meaning ascribed to it in **Schedule IV**;

Monthly Transmission
charges Payment

has the meaning ascribed to it in **Schedule IV**;

Nalagarh Pooling Point

means the point at which the Associated Transmission System connects with the 220kV Bus Bars at Nalagarh Substation of CTU.

Nalagarh Substation

Means the substation established by CTU at Nalagarh.

NRLDC

means the Northern Region Load Dispatch Centre constituted under the Electricity Act 2003;

Prudent Utility Practices

means the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of Project equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:

- (i) operation, repair and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the project,
- (ii) the requirements of Applicable Laws, and
- (iii) the physical conditions at the Site.

Scheduled Outage

means an outage of the Associated Transmission System undertaken in accordance with the Scheduled Outage Plan;

Scheduled Outage Plan

means the plan to be agreed upon by the Parties in connection with the scheduled outages and which shall take effect from the Appointed Date;

HPSLDC

Means the Himachal Pradesh State Load Dispatch Centre as



constituted under Section 31 of the Electricity Act, 2003;

Means the Himachal Pradesh State ELECTRICITY BOARD LIMITED.

HPSEBL

means the charges for evacuation of Injected Power of M/S Kanchanjunga and HPSEBL to be calculated based on Schedule II and as discussed in clauses 3.4 of IPTA.

Transmission charges

Has the meaning set out in CERC/SLDC (Unscheduled Interchange charges and related matters) Regulations, 2014.

Deviation charges


GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowaka House, Khasini Shimla - 2



Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

SCHEDULE II – TRANSMISSION CHARGES of ADHPL System

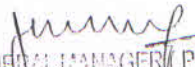
(Calculation of the Interim Transmission charges)

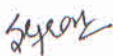
Sr.No.	Description	Amount	charges payable as per CERC Regulations	Value as per CERC Regulations	Value	Amount payable annually
1	Capital cost – 100%	414,30,61,000#	Operation and Maintenance charges **		Lumpsum	2,20,00,000
			Depreciation on capital	5.28% on 90% capital	5.28%	19,68,78,258
2	Loan – 70%		Interest on borrowed capital	Rate of interest to be weighted average for const period	11%	31,90,15,967
3	Equity – 30%		Return on Equity	15.5% Income tax at present, MAT as applicable at 20.007755%	19.38%	24,08,38,752
4	Interest on working capital		Working Capital	2 months receivable	13,30,12,180	
				15% of O&M as cost of spares	33,00,000	
				1 months O&M cost	18,33,333	1,93,40,372
				Working Capital	13,81,45,513	
				14% Working Capital	1,93,40,372	
	To be received annually from ADHPL, HPPTCL for Kanchanjunga, HPSEBL and EPPL for total transmission of 327.40 MW					79,80,73,079
	M/S Kanchanjunga portion of charges for 24 MW annually					5,85,02,608
	M/S Kanchanjunga portion, equivalent to 24MW, payable monthly					48,75,218
	EPPL portion, equivalent to 100 MW, payable annually					24,37,60,867
	EPPL portion, equivalent to 100 MW, payable monthly					2,03,13,406
	HPSEBL portion, equivalent to 11.40 MW, payable annually					2,77,88,739
	HPSEBL portion, equivalent to 11.40 MW, payable monthly					23,15,728
	ADHPL portion, equivalent to 192 MW, payable annually					46,80,20,865
	ADHPL portion, equivalent to 192 MW, payable monthly					3,90,01,739

Note: The taxes & duties as applicable are additionally payable by M/S Kanchanjunga and HPSEBL over and above the invoice value.

The capital Cost tentatively considered above for working out Transmission charges is based on a letter from auditors of ADHPL.

** For the purpose of calculation of the Transmission charges, O&M charges have been taken as Rs. 2,20,00,000 (lump sum).


 GENERAL MANAGER (Proj.)
 H.P. State Electricity Board Limited
 Barowala House, Khalini Shimla - 2

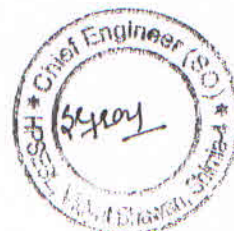

 Chief Engineer (System Operation)
 H.P. State Electricity Board Limited
 Vidyt Bhawan, Shimla-171004

SCHEDULE III - METERING ARRANGEMENT

AS per SLD attached

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[Signature]
GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowalia House, Khatini Shimla - 2



SCHEDULE IV - PAYMENT AND BILLING

4.1 Transmission charges

The Appointed Date shall be the date of interconnection of HPSEBL system with HPPTCL's Phojal substation and further with Associated Transmission System of ADHPL at Interconnection Point.

From the Appointed Date, HPSEBL shall pay HPPTCL the Transmission charges. The Transmission charges shall be paid on a monthly basis ("**Monthly Transmission charges**") via a Monthly Transmission charges Invoice, and such monthly payment is referred to as "**Monthly Transmission charges Payment**". Calculation of Transmission charges shall be done as per the methodology given in Schedule II and as notified in para 3.5 of the agreement.

4.2 Other Payments

Any other payment, reimbursement or charges payable by HPPTCL to ADHPL, by HPSEBL to HPPTCL, including, but not limited to, any payment in relation to Change in Law charged by ADHPL or HPPTCL will be paid by HPSEBL via a Supplementary Invoice and vice versa.

4.3 Each Party shall be responsible for paying their respective UI/Deviation charges that are payable by such Party as determined by the Northern Regional Load Dispatch Centre/HPSLDC.

4.4 Delivery of Invoices for the usage of ADHPL /HPPTCL System

ADHPL shall submit to HPPTCL the Supplementary Invoices and the invoice for the Monthly Transmission charges Payment based on agreed connectivity in terms of MW corridor ("**Monthly Transmission charges Invoice**"), which shall be collectively referred to as "**Invoices**", by the 5th (fifth) day of the succeeding month (or, if such day is not a business day, the immediately following business day). The Invoices will include the computation of the demand payment or the Monthly Transmission charges payable where applicable, in respect of the immediately preceding month.

4.5 After the receipt of the invoice by HPPTCL from ADHPL, the same shall be either emailed/ faxed/ Hand delivered/couriered to HPSEBL within 3 days for payment of the same to ADHPL/HPPTCL.

4.6 Delivery of HPPTCL Invoices for the usage of HPPTCL System

Along with the passing on of the ADHPL invoices to HPSEBL, HPPTCL shall also raise its invoice to HPSEBL for the usage of the transmission system by HPSEBL.

4.7 The '**Due Date**' of both the invoices shall be reckoned as 50 days from the date of presentation of invoices by HPPTCL. The invoice shall be either emailed/ faxed/ Hand delivered/couriered by HPPTCL and delivery of any/either of these shall be construed as delivery to HPSEBL.

4.8 Each Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation and information.

4.9 Payment of Invoices raised by ADHPL for the usage of ADHPL Systems

HPSEBL shall deposit the amount payable to ADHPL & HPPTCL under Invoices, into the account nominated by HPPTCL as under.

a) If HPSEBL pays the full invoice within 21 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).

b) If HPSEBL pays full invoice beyond 21 days of presentation of such Invoices, but within 50 days, no rebate shall be allowed.

c) If HPSEBL does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 25% (one



point two five percent) per month. Such surcharges shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL, calculated on a daily basis.

- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by ADHPL on or before the Due Date.
 - e) If HPSEBL fail to pay any Invoice raised by ADHPL on or before the Due Date ADHPL may, except in the case of an Invoice Dispute, draw upon the Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPPTCL and accompanied with a declaration by ADHPL that the amount due under such Invoice has not been paid by HPSEBL. In the case of an Invoice Dispute, ADHPL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;
- 4.10 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, HPSEBL shall make payment to ADHPL/HPPTCL to the extent the charges are not the subject of an Invoice Dispute, and same shall be deemed payable in full by HPSEBL to HPPTCL/ ADHPL.
- 4.11 **Disputed Invoices**
- If HPSEBL does not question or dispute an Invoice within 4 (four) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If HPSEBL disputes any item or part of an item set out in any Invoice then HPSEBL shall serve a notice ("**Invoice Dispute Notice**") on HPPTCL within 4 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.
- 4.12 Notwithstanding that HPSEBL has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL/ADHPL:
- (a) the remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
 - (b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.11 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPPTCL along with Invoice Dispute Notice.
- 4.13 HPPTCL shall pass on the above mentioned disputed invoice notice to ADHPL and if ADHPL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPPTCL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate which shall be further refunded to HPSEBL by HPPTCL.
- 4.14 **Payment of Invoices raised by HPPTCL for the usage of HPPTCL System**
- HPSEBL shall deposit the amount payable to HPPTCL under Invoices, into the account nominated by HPPTCL.
- a) If HPSEBL pays the full invoice within 30 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
 - b) If HPSEBL pays the full invoice beyond 30 days of presentation of such Invoices, but within 60 days, no rebate shall be allowed.
 - c) If HPSEBL does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is

actually received by HPPTCL.

- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by HPPTCL on or before the Due Date.
- e) If HPSEBL fails to pay any Invoice on or before the Due Date HPPTCL may, except in the case of an Invoice Dispute, draw upon the Fixed Deposit Receipt / Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPSEBL and accompanied with a declaration by HPPTCL that the amount due under such Invoice has not been paid by HPSEBL. In the case of an Invoice Dispute, HPPTCL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;
- 4.15 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, HPSEBL shall make payment to HPPTCL to the extent the charges are not the subject of an Invoice Dispute.

4.16 Disputed Invoices

If HPSEBL does not question or dispute an Invoice within 7 (seven) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If HPSEBL disputes any item or part of an item set out in any Invoice then HPSEBL shall serve a notice ("**Invoice Dispute Notice**") on HPPTCL within 7 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

- 4.17 Notwithstanding that HPSEBL has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL:

- a) The remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.14 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPSEBL along with Invoice Dispute Notice.

- 4.18 If HPPTCL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPSEBL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate.

4.19 Payment Security to ADHPL

Within 3 days from the date of this Agreement, HPSEBL shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit favoring HPPTCL and ADHPL as third party beneficiary.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 23,15,728/-.

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, HPSEBL will also provide a Bank Guarantee from a scheduled Bank with ADHPL as beneficiary in an acceptable form to ADHPL, equal to the 1 month Transmission charges payment i.e. 23,15,728/- (valid all the times).

- 4.20 ADHPL may assign the letter of credit for the benefit of its lenders.



4.21 Payment Security to HPPTCL

Within 5 days from the date of this Agreement, HPSEBL shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 4,56,000/-

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, HPSEBL will also provide a Bank Guarantee from a scheduled Bank with HPPTCL as beneficiary in an acceptable form to HPPTCL, equal to the 1 month Transmission charges payment i.e. 4,56,000/- (valid all the times).

4.22 Taxes and Duties

HPSEBL shall pay all taxes and duties along with cess and any other charges or levies as applicable in respect of any amount owing to ADHPL/HPPTCL under the Invoices.

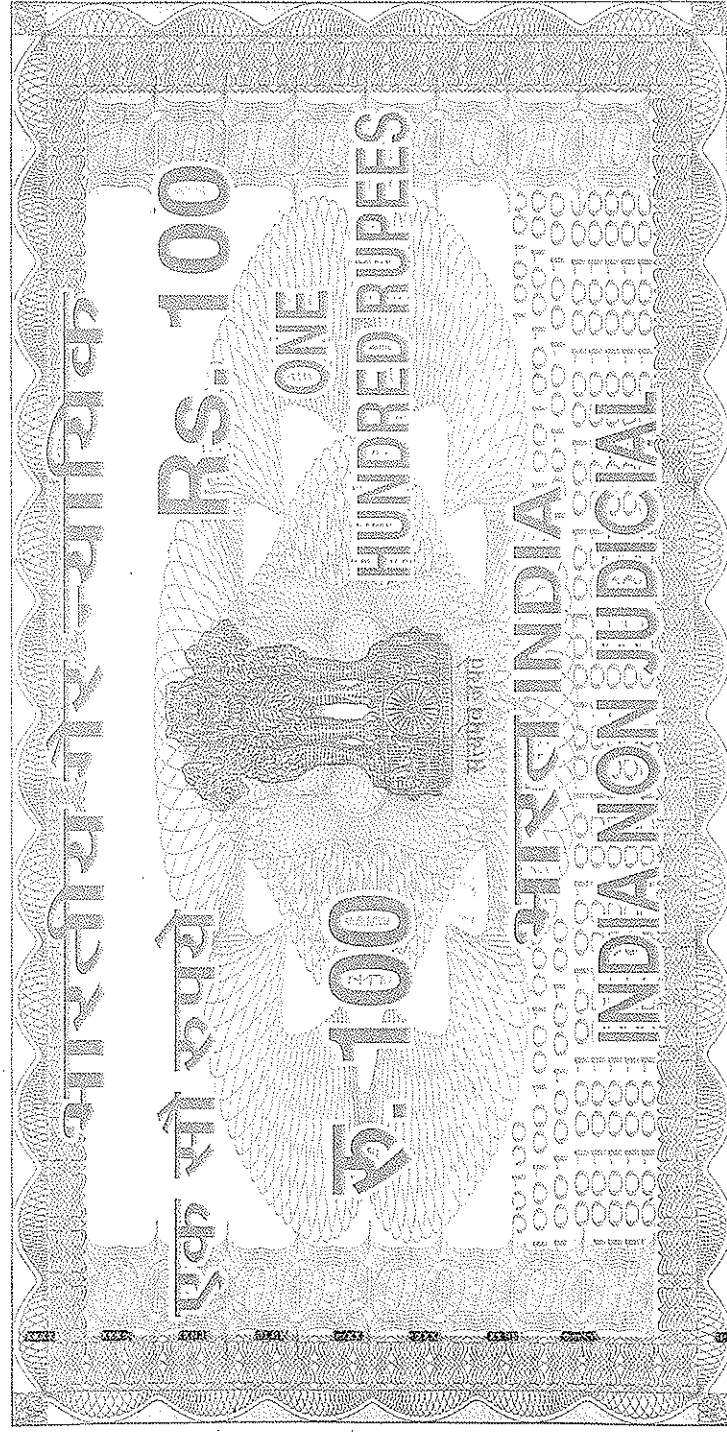
4.23 Disconnection on account of default

In case HPSEBL fails to make payment of either of the bills raised by ADHPL or HPPTCL for a period of 60 days, a 30 days notice of disconnection will be served upon HPSEBL and even if the payment is not received within 30 days notice period, the wheeling/ transmission of power of HPSEBL will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

Further, in case HPSEBL is not able to renew / extend the letters of credit or bank guarantees as provided in this schedule hereof, the wheeling/ transmission of power of HPSEBL will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.


GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowalla House, Khalni Shimla - 2


Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004



हिमाल प्रदेश HIMACHAL PRADESH

A 585704

INTERIM POWER TRANSMISSION AGREEMENT

THIS INTERIM POWER TRANSMISSION AGREEMENT (hereinafter referred to as "TSA" or "Agreement") is being entered into on 28.04.2016 at Shimla by and amongst the Parties named below to record the terms and conditions subject to which AD Hydro Power Limited agrees to wheel the energy of various Hydro Power generators injected by Himachal Pradesh Power Transmission Corporation Limited from the interconnection points to Nalagarh Pooling Point using its Associated Transmission System.

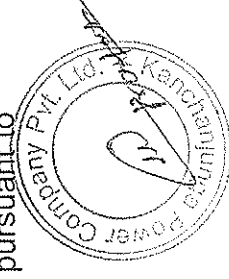
HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Khalini, Shimla 171002, Himachal Pradesh, hereinafter referred to as "HPPTCL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by representative of HPPTCL authorized vide office order no. HPPTCL/C&M/Kanchanjunga/2016-17-713 dated 28/04/2016.

AND

M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956, is a hydro generating company, having its registered office at Unit No. 307, Third Floor, Corporate-One, Plot No. 5, Non Hierarchical Commercial Centre, Jasola, New Delhi-110076 and its Corporate office at 3rd Floor, B-37, Sector-1, Noida-201301 (U.P) hereinafter referred to as "M/S KANCHANJUNGA" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by its authorized representative pursuant to the Power of Attorney dated 7th Oct 2009.

Handwritten signature
28/04/16
DGM (C&M)
HPPTCL Barowala
House, Kharla, Sector-2

- 1 -



"HPPTCL" and "M/S KANCHANJUNGA" are individually referred to as "Party" and collectively referred to as "Parties").

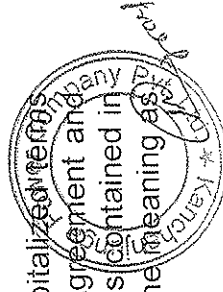
WHEREAS

- A. ADHPL is operating and maintaining a 192 MW hydroelectric project in the Kullu District of Himachal Pradesh, including the 220 kV Associated Transmission System from its Power House at Pirni up to Nalagarh as part of its 192 MW Hydro electric project ("ADHPL Project").
- B. HPPTCL is a state owned transmission company and has taken up to evacuate the power of various Hydro Power Generators (hereinafter referred to as IPP's) in the Beas valley (hereinafter referred to as "HPPTCL Customers"). In order to evacuate the power of these IPPs, HPPTCL has constructed the 220 kV D/C Transmission Line for a length of approximately 6.95 KM and a 220 kV Phojal sub-station ("HPPTCL Assets") planned to be interconnected with the 220 kV D/C ADHPL-Nalagarh Associated Transmission System ("ADHPL Assets").
- C. HPPTCL intends to presently wheel the power of 24 MW Baragaon SHEP set up by M/S Kanchanjunga in the valley from appointed date by signing this back to back TSA consequent to the Interim Power Transmission Agreement executed between HPPTCL and ADHPL.
- D. ADHPL has agreed to wheel the energy/power injected by HPPTCL of "M/S Kanchanjunga" subject to availability of unused capacity of its 220 kV Associated Transmission System after accommodating the injected energy/power from ADHPL and EPPL on such terms and conditions stated in this agreement.
- E. ADHPL is already wheeling the energy/power of EPPL (A 100 MW Hydro Electric Project in Kullu) on its associated transmission system from Chharor Substation of EPPL to Nalagarh in terms of Interim Power Transmission Agreement dated August 9, 2011, signed between ADHPL and EPPL pursuant to the interim order of APTEL dated 10th June 2011 which was directed to be continued by the Hon'ble Supreme Court of India vide orders dated 08.03.2013 and order dated 24th August 2015 in Civil Appeal No. 1795/2013 filed by ADHPL against final order of APTEL.
- F. The parties have agreed to incorporate the terms of the interim agreement between ADHPL and EPPL into this agreement until further orders of the Hon'ble Supreme Court of India in Civil appeal No. 1795/2013.
- G. Wheeling of energy/Power of "M/S Kanchanjunga" is subject to achieving the Appointed Date, and furnishing of the Letters of Credit and Bank Guarantees, to the satisfaction of ADHPL and HPPTCL.
- H. M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED shall obtain all requisite approvals from CTU and HPSLDC or any other concerned agencies for injection of energy/power into HPPTCL System for onward injection into ISTS Grid for scheduling and metering of energy injected by M/S KANCHANJUNGA.

NOW, THEREFORE, in consideration of the premises and mutual agreement, covenants and conditions set forth herein it is hereby agreed by and between the Parties hereto as follows:-

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In this Agreement, unless the context otherwise requires, all capitalized terms shall bear the meanings ascribed to them in **Schedule I** of this Agreement and this Agreement will be interpreted in accordance with the provisions contained in **Schedule I**. Any other terms not defined herein, would bear the same meaning as in **Schedule I**.



[Signature]
Director (Operations)
HPPTCL Baragaon
House, Khaila, Gurgaon-2

provided in the Electricity Act, 2003 and the Rules & Regulations framed therein.

2. SCOPE OF THE AGREEMENT

2.1 Pursuant to the Orders of Hon'ble Supreme Court of India dated 08.03.2013 for the interim arrangement and 24th August 2015 of Hon'ble Supreme Court of India in the matter of Civil Appeal No. 1795/2013 between **A D Hydro Power Limited vs Everest Power Private Limited and Ors** filed by ADHPL, the parties agree that HPPTCL shall inject "M/S Kanchanjunga's" energy/power at Interconnection Points and ADHPL agrees to wheel from the appointed date "M/S Kanchanjunga" injected energy/power from inter connection point to Nalagarh Pooling Point through the Associated Transmission System of ADHPL.

2.2 The wheeling of energy/power of "M/S Kanchanjunga" through associated transmission system of ADHPL shall be subject to the first right of use by ADHPL. An authorized representative of ADHPL shall be deployed at the Phojal Sub-Station.

3. TRANSMISSION CHARGES AND TRANSMISSION LOSSES

3.1 HPPTCL shall pay to ADHPL, Transmission charges for wheeling of the power of "M/S Kanchanjunga" from the Interconnection Points to Nalagarh Pooling Point or Nalagarh Pooling Point to Interconnection Points using the Associated Transmission System.

3.2 The details of Transmission charges for wheeling of 24 MW of power are set out in **Schedule II**.

3.3 In case of adding the energy/power of any other HPPTCL Customer by HPPTCL, the charges shall be re- calculated on the same methodology and **schedule-II** shall be amended accordingly.

3.4 In addition to the payment of Transmission charges to ADHPL, M/S KANCHANJUNGA shall be required to pay the transmission charges for the usages of the system owned by HPPTCL i.e. Phojal Sub-Station and Transmission line from the Sub-Station to the LILO point with AD Hydro system @ Rs. 40,000/- per MW per Month Subject to adjustment as per tariff order to be passed by the Regulatory Commission in future.

3.5 In addition to the payment of Transmission charges to ADHPL and HPPTCL, M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED will bear the Transmission Losses on the Injected Energy / Power of "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" evacuated through ADHPL's Associated Transmission System @ 4.75% (Four Point Seven Five percent) of injected power and energy at the interconnection point.

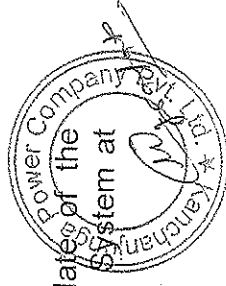
By way of an illustration it may be clarified that if the Injected Energy of "M/S Kanchanjunga" at the interconnection point is 100 MU, the Delivered Energy of M/S Kanchanjunga at Nalagarh shall be (100 - 4.75) MU = 95.25 MU. Similarly, if 100 MW is the injected average power in a block of 15 minutes, as recorded by ABT meters installed at interconnection point, the delivered power of M/S Kanchanjunga at Nalagarh shall be 95.25 MW in the same block of 15 minutes.

3.6 "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will also bear the Transmission losses in the HPPTCL system.

4. TERM

4.1 This Agreement shall come into full force and effect from the date of the interconnection of the HPPTCL Assets with Associated Transmission System at Phojal, the Interconnection Point ("**Appointed Date**").

Phojal
DGM (C&M)
HPPTCL Barowala
House, Ghulial, Chakole-2



4.2 This Agreement shall be subject to modification in such terms which may be required to incorporate the effect of the order of the Hon'ble Supreme Court of India in the matter for use of dedicated transmission line by any other users in civil appeal number 1795/2013. The Parties agree that upon such orders this agreement shall be restated/amended in accordance thereof within 30 days.

5. OPERATION AND MAINTENANCE

5.1 ADHPL will undertake and be responsible for the operation, maintenance and repair of the Associated Transmission System (ATS) in accordance with the Prudent Utility Practices, the Indian Electricity Grid Code, instructions of HPSLDC/NRLDC and Applicable Law. However HPPTCL will undertake and be responsible for the operation and maintenance of the HPPTCL Assets at Phojal.

5.2 The operation and maintenance charges shall for the time being be borne by the Parties in the manner set out in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.

5.3 The HPSLDC/Northern Region Regional Load Dispatch Centre will –

- (a) Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the ADHPL Project, EPPL Project and M/S Kanchanjunga separately; and
- (b) Settle the UI/Deviations directly with M/S Kanchanjunga.

5.4 Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will be done by the HPSLDC.

6. OUTAGES AND AVAILABILITY OF THE SYSTEM

6.1 The Parties will agree upon the Scheduled Outages Plan.

6.2 ADHPL shall have the first right of use of its Associated Transmission System and any unused capacity left, after the usage of ADHPL and EPPL, shall be allowed to be used by the HPPTCL for M/S Kanchanjunga.

7. METERING AND ENERGY ACCOUNTING

7.1 The Parties agree that the metering will be undertaken in accordance with the provisions set forth in **Schedule III**, subject to the approval of NRLDC/ HPSLDC.

8. PAYMENT AND BILLING

8.1 All payment and billing in respect of the Transmission charges and any other payment, reimbursement or charges payable by M/S Kanchanjunga to ADHPL and HPPTCL shall be done in accordance with the provisions of **Schedule IV**.

9. FORCE MAJEURE

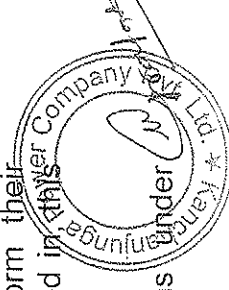
9.1 This shall be as per Indian Electricity Grid Code.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Parties represent and warrant to each other that:

(a) they are duly authorize and validly existing under the laws of India, and have full power and authority to execute, deliver and perform their obligations under, and to carry out the transactions contemplated in this HPPTCL Sarowalia Agreement;
House, Khobini, Shimoga

(b) they have taken all necessary corporate and other actions



Applicable Law to authorise the execution, delivery and performance of this Agreement;

- (c) this Agreement has been duly executed by them and constitutes their legal, valid and binding obligations, enforceable against them in accordance with the terms of this Agreement;
- (d) they have the financial standing and capacity to undertake their obligations in accordance with the terms of this Agreement and they are not insolvent and no insolvency proceedings have been instituted, nor threatened or pending against them.

11 CHANGE IN LAW

11.1 M/S Kanchanjunga in proportion to their installed capacity shall bear the expenses incurred towards, or as a consequence of a Change in Law. However, if any additional statutory expense occurs solely due to sharing of Associated Transmission System of AD Hydro as well the HPPTCL system, then the same shall be fully borne by M/S Kanchanjunga.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR REPRESENTATIVE / DULY AUTHORISED OFFICERS AS OF THE DATE SET FORTH ABOVE.

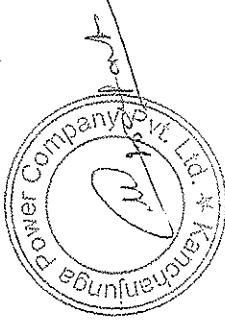
SIGNED & DELIVERED by the within name
HIMACHAL PRADESH POWER
TRANSMISSION CORPORATION LIMITED
Through its authorized signatory

21/4/16
K. A. K. Khanoria
DCM (CAM)
HPPTCL, Bawana
House, Okhla, Delhi-2

SIGNED & DELIVERED by the within named
M/S KANCHANJUNGA POWER COMPANY PRIVATE
LIMITED

Through its authorized signatory,

KUMAR UPAY PRATAP AJAY



In the presence of:

1. *21/4/16*

K. SUNIL KUMAR SAHJ

Sr. Manager (CC&M)
HPPTCL, SHIMLA-171002

Name

)

Name

Manoj Kumar Sharma

(Address

)

(Address

Go Kanchanjunga Power

Company Private Limited,

B-37 - Sector 7 - Noida

SCHEDULE I – DEFINITIONS

ADHPL

means 192 MW AD Hydro Power Project alongwith its Associated Transmission System .

EPPL Delivered Energy

“EPPL Delivered Energy/power” shall be EPPL Injected Energy/ power minus Losses 4.75% of EPPL Injected Energy/power.

ADHPL Delivered Energy/power

The Total Delivered Energy/Power measured at Nalagarh minus, the M/S Kanchanjunga and EPPL, Delivered Energy/Power shall be “ADHPL Delivered Energy/power”.

ADHPL Installed Capacity

is 192 MW (as per Techno Economic Clearance);

ADHPL Project Agreement

has the meaning ascribed to it in Recital A;

Applicable Law

means this Interim Power Transmission Agreement;

Applicable Law

means any statute, law, ordinance, notification, rule, regulation, judgment, order, decree, bye-law, approval, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of the Government of India, Government of Himachal Pradesh or any Government Instrumentality or instrumentality thereof, as may be in effect on the date of the execution of this Agreement and during the subsistence thereof and applicable to the subject matter of this Agreement.

Appointed Date

means the date on which connectivity has been provided to M/S Kanchanjunga at interconnection points after meeting out the technical criteria.

Appropriate Commission

shall have the same meaning as set out in Section 2(4) of the Electricity Act, 2003 as amended from time to time;

Associated Transmission System

Means the Associated Transmission System (ATS) forming part of the ADHPL Project comprising 220 kV Double Circuit Line between ADHPL Project and Nalagarh Sub-station of CTU including two bays (owned by ADHPL) at Nalagarh Sub-station (owned by the CTU), two bays at Prini (owned by ADHPL) .

CEA

means the Central Electricity Authority of India constituted under the Electricity (Supply) Act, 1948 and operating under the Electricity Act, 2003 including any successors which fulfill the same role;

CERC

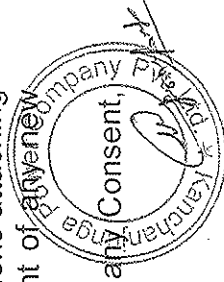
means Central Electricity Regulatory Commission of India constituted under Section 76 of the Electricity Act, 2003 and any successors which fulfill the same role;

Change in Law

means the occurrence of any of the following after the date of this Agreement:

- a) the enactment, bringing into effect, adoption or promulgation of any new Applicable Law,
- b) the repeal, amendment, modification or re-enactment in whole or in part of any existing Applicable Law,
- c) the commencement of any Applicable Law,
- d) a change in the interpretation or application of any Applicable Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Applicable Law,
- e) the imposition (other than for cause) of a requirement for a Consent which did not exist, or was not applicable to ADHPL on the date of this Agreement,
- f) a change (other than for cause) in the terms and conditions attaching to a Consent after it has been given or the attachment of new terms or conditions to such Consent,
- g) the revocation or cancellation (other than for cause) of any Consent, or


Navdeep Singh
MD (Gen)
HPTCL Barowalla
House, Kudial, Shimla-2



- h) change in the rate of tax, cess, levies, import duties or like charges, including the imposition of a new tax, cess, levy, import duty of like charges.
- i) Decision/Order of the Hon'ble Supreme Court of India in civil appeal number 1795/2013 between ADHPL vs EPPL and Ors in respect of use of a dedicated transmission system by others

**Check Meters
Consent**

refers to the check meters as depicted in **Schedule III**.

shall mean and include all authorizations, consents, licenses, approvals, registrations, clearances, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided;

**Total Delivered
Energy/Power**

means the total Energy/Power injected at the Nalagarh Pooling Point through the Associated Transmission System as determined in kWh on the basis of the readings of the Main Meters or Check Meters installed at the Nalagarh Substation.

Due Date

Has the meaning ascribed to it in **Schedule IV**;

EPPL

mean Everest Power Private Limited;

**EPPL Delivered
Energy/Power**

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/power at Chaurar Sub-station minus 4.75% of EPPL Injected Energy/power at Chhaur Sub-station.

**EPPL Injected
Energy/Power**

means the total energy/power generated and sent out by both the generating units of EPPL Project, as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Point at Chhaur ("EPPL Injection Point"). This amount of total energy/power injected shall be referred to as the "EPPL Injected Energy/power";

EPPL Injection Point

Means the Interconnection Point at Chhaur.

Forced Outages

means an outage that has not been scheduled to occur in accordance with the agreed Scheduled Outage as per the definition of the Indian Electricity Grid Code;

HPPTCL Assets

means 33/220 kV Phojal substation along with electrical and mechanical apparatus and 220 kV D/C Transmission Line from Phojal Sub-station upto the point of interconnection with ATS of ADHPL.

M/S Kanchanjunga

means **M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED** (24 MW Baragaon SHEP in Distt Kullu) having a back to back transmission agreement with HPPTCL for evacuating their power by use of ADHPL's ATS.

Injected Energy

means the total energy/power of M/S Kanchanjunga injected by HPPTCL at interconnection points as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Points at Phojal This amount of total energy/power injected shall be referred to as the "M/S Kanchanjunga Injected Energy/Power";

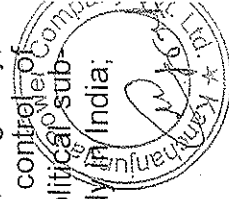
Delivered Energy

means energy injected by M/S Kanchanjunga minus losses 4.75% of Injected Energy and minus the Transmission losses in the HPPTCL system. (As discussed in clauses 3.5 & 3.6 of IPTA)

**Indian Governmental
Instrumentality**

means Government of India, Government of any State of India or any Ministry, department, board, authority, instrumentality, agency, corporation or commission under the direct or indirect control of Government of India or any State Government or any political sub-division of any of them or any court or tribunal or judicial body in India;

[Signature]
B. S. Barowalia
(B. S. Barowalia, Chairman-2)



**Indian Electricity Grid
Code or "IEGC"**

means the Grid Code as defined in the Electricity Act, 2003;

Interconnection Facilities

means the facilities set up by HPPTCL at Phoal in the Kullu District of Himachal Pradesh, as may be required for the transmission of energy through the use of the Associated Transmission System, in accordance with the provisions of this Agreement and Prudent Utility Practice.

Interconnection Points

means the points at which HPPTCL injects the power for M/S Kanchanjunga into the Associated Transmission System of ADHPL from 220 kV substation of HPPTCL at Phoal.

Invoices

has the meaning ascribed to it in **Schedule IV**.

Invoice Dispute

means a dispute with regard to Invoices issued in accordance with **Schedule IV**.

Invoice Dispute Notice

has the meaning ascribed to it in **Schedule IV**;

KW

means kilowatt;

KwH

means kilo watt hours;

Letter of Credit

has the meaning ascribed to it in **Schedule IV**;

Loss

means any loss, liability, damage, cost, expense, interest, fines, penalties, claims and amounts paid in settlement, suffered, incurred, paid or payable by ADHPL (including loss, or exposure, or cash call, shortfall or deficiency of any kind in connection with the transactions contemplated by this Agreement;

Main Meters

refers to the main meters as depicted in **Schedule III**;

**Monthly Transmission
charges Invoice**

has the meaning ascribed to it in **Schedule IV**;

**Monthly Transmission
charges Payment**

has the meaning ascribed to it in **Schedule IV**;

Nalagarh Pooling Point

means the point at which the Associated Transmission System connects with the 220kV Bus Bars at Nalagarh Substation of CTU.

Nalagarh Substation

Means the substation established by CTU at Nalagarh.

NRLDC

means the Northern Region Load Dispatch Centre constituted under the Electricity Act 2003;

Prudent Utility Practices

means the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of Project equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:

- (i) operation, repair and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the project,
- (ii) the requirements of Applicable Laws, and
- (iii) the physical conditions at the Site.

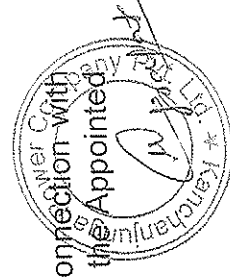
Scheduled Outage

means an outage of the Associated Transmission System undertaken in accordance with the Scheduled Outage Plan;

Scheduled Outage Plan

means the plan to be agreed upon by the Parties in connection with the scheduled outages and which shall take effect from the Appointed Date;


Ramesh Kumar
HPPTCL, Barowalia
Hansi, Rohtak, Haryana-2



HPSLDC

Means the Himachal Pradesh State Load Dispatch Centre as constituted under Section 31 of the Electricity Act, 2003;

Supplementary Invoice

means an invoice from ADHPL to HPPTCL as referred to in Schedule IV;

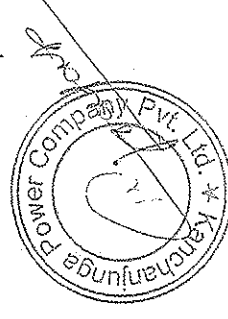
Transmission charges

means the charges for evacuation of Injected Power of M/S Kanchanjunga to be calculated based on Schedule II and as discussed in clauses 3.4 of this Agreement.

Deviation charges

Has the meaning set out in CERC regulations, Deviation settlement mechanism notified in 2014 as amended from time to time.

[Signature]
Director
HPPTCL
Himachal Pradesh
Electricity Corporation Ltd.
Himachal Pradesh



SCHEDULE II – TRANSMISSION CHARGES of ADHPL System

(Calculation of the Interim Transmission charges)

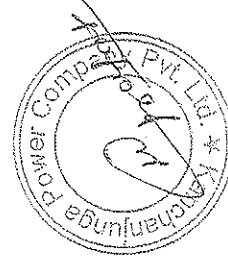
Sr.No.	Description	Amount	charges payable as per CERC Regulations	Value as per CERC Regulations	Value	Amount payable annually
1	Capital cost – 100%	414,30,61,000#	Operation and Maintenance charges **		Lumpsum	2,20,00,000
2	Loan – 70%		Depreciation on capital	5.28% on 90% capital	5.28%	19,68,78,258
3	Equity – 30%		Interest on borrowed capital	Rate of interest to be weighted average for const period	11%	31,90,15,967
4	Interest on working capital		Return on Equity	15.5% Income tax at present, MAT as applicable at 20.007755%	19.38%	24,08,38,752
			Working Capital	2 months receivable	13,30,12,180	
				15% of O&M as cost of spares	33,00,000	
				1 months O&M cost	18,33,333	1,93,40,372
				Working Capital	13,81,45,513	
				14% Working Capital	1,93,40,372	
	To be received annually from ADHPL, HPPTCL for Kanchanjunga and EPPL for total transmission of 316 MW					79,80,73,079
	M/S Kanchanjunga portion of charges for 24 MW annually					6,06,13,145
	M/S Kanchanjunga portion, equivalent to 24MW, payable monthly					50,51,095
	EPPL portion, equivalent to 100 MW, payable annually					25,25,54,800
	EPPL portion, equivalent to 100 MW, payable monthly					2,10,46,233

Note: The taxes & duties as applicable are additionally payable by M/S Kanchanjunga, over and above the invoice value.

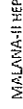
The capital Cost tentatively considered above for working out Transmission charges is based on a letter from auditors of ADHPL.

** For the purpose of calculation of the Transmission charges, O&M charges have been taken as Rs. 2,20,00,000 (lump sum).

(Signature)
 M/S Kanchanjunga
 HPPTCL, Barowalia
 House, Kachhi, Chindia-2



Schedule-III

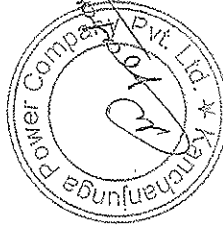


Metering Arrangement After the Interconnection of HPPTCL Phojal Sub-Station



Legend
M: M
C: C

Perkins
DAN (C-33)



SCHEDULE IV - PAYMENT AND BILLING

4.1 Transmission charges

The Appointed Date shall be the date of interconnection of M/S KANCHANJUNGA Assets with HPPTCL Assets and further with Associated Transmission System of ADHPL at Interconnection Point.

From the Appointed Date, M/S Kanchanjunga shall pay HPPTCL the Transmission charges. The Transmission charges shall be paid on a monthly basis ("Monthly Transmission charges") via a Monthly Transmission charges Invoice, and such monthly payment is referred to as "Monthly Transmission charges Payment". Calculation of Transmission charges shall be done as per the methodology given in Schedule II and as notified in para 3.5 of the agreement.

4.2 Other Payments

Any other payment, reimbursement or charges payable by HPPTCL to ADHPL and M/S Kanchanjunga to HPPTCL, including, but not limited to, any payment in relation to Change in Law charged by ADHPL or HPPTCL will be paid by M/S KANCHANJUNGA via a Supplementary Invoice and vice versa.

4.3 Each Party shall be responsible for paying their respective UI/Deviation charges that are payable by such Party as determined by the Northern Regional Load Dispatch Centre/HPSLDC.

4.4 Delivery of Invoices for the usage of ADHPL /HPPTCL System

ADHPL shall submit to HPPTCL the Supplementary Invoices and the invoice for the Monthly Transmission charges Payment based on agreed connectivity in terms of MW corridor ("Monthly Transmission charges Invoice"), which shall be collectively referred to as "Invoices", by the 5th (fifth) day of the succeeding month (or, if such day is not a business day, the immediately following business day). The Invoices will include the computation of the demand payment or the Monthly Transmission charges payable where applicable, in respect of the immediately preceding month.

4.5 After the receipt of the invoice by HPPTCL from ADHPL, the same shall be either emailed/ faxed/ Hand delivered/couriered to M/S Kanchanjunga within 3 days for payment of the same to ADHPL/HPPTCL.

4.6 Delivery of HPPTCL Invoices for the usage of HPPTCL System

Along with the passing on of the ADHPL invoices to M/S Kanchanjunga, HPPTCL shall also raise its invoice for the usage of the transmission system by M/S Kanchanjunga.

4.7 The 'Due Date' of the invoices shall be reckoned as 50 days for the invoices of ADHPL & 60 days for the invoices of HPPTCL from the date of presentation of invoices by HPPTCL. The invoice shall be either emailed/ faxed/ Hand delivered/couriered by HPPTCL and delivery of any/either of these shall be construed as delivery to M/S Kanchanjunga.

4.8

Each Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation and information.

Signature
HPPTCL (Cam)
HPPTCL Barowalia
House 49

Payment of Invoices raised by ADHPL for the usage of ADHPL Systems

M/S Kanchanjunga shall deposit the amount payable to ADHPL under Invoices

into the account nominated by HPPTCL or directly to ADHPL through the letter of credit under intimation to HPPTCL, as under.

- a) If M/S Kanchanjunga pays the full invoice within 21 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
- b) If M/S Kanchanjunga pays the full invoice beyond 21 days of presentation of such Invoices, but within 50 days, no rebate shall be allowed.
- c) If M/S Kanchanjunga does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharges shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL, calculated on a daily basis.
- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by ADHPL on or before the Due Date.
- e) If M/S Kanchanjunga fails to pay any Invoice raised by ADHPL on or before the Due Date ADHPL may, except in the case of an Invoice Dispute, draw upon the Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPPTCL and accompanied with a declaration by ADHPL that the amount due under such Invoice has not been paid by M/S Kanchanjunga. In the case of an Invoice Dispute, ADHPL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;

4.10 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, M/S Kanchanjunga shall make payment to ADHPL/HPPTCL to the extent the charges are not the subject of an Invoice Dispute, and same shall be deemed payable in full by M/s Kanchanjunga to HPPTCL/ADHPL.

4.11 Disputed Invoices

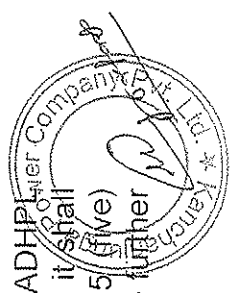
If M/S Kanchanjunga does not question or dispute an Invoice within 4 (four) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If M/S Kanchanjunga disputes any item or part of an item set out in any Invoice then M/S Kanchanjunga shall serve a notice ("Invoice Dispute Notice") on HPPTCL within 4 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

4.12 Notwithstanding that M/S Kanchanjunga has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL/ADHPL:

- (a) the remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- (b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.11 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPPTCL along with Invoice Dispute Notice.

4.13 HPPTCL shall pass on the above mentioned disputed invoice notice to ADHPL and if ADHPL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPPTCL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate which shall be further refunded to M/S Kanchanjunga by HPPTCL.

For HPPTCL
HPPTCL
House, Kachin, Ganga-2



4.14 Payment of Invoices raised by HPPTCL for the usage of HPPTCL System

M/S Kanchanjunga shall deposit the amount payable to HPPTCL under Invoices, into the account nominated by HPPTCL.

- a) If M/S Kanchanjunga pays the full invoice within 30 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
- b) If M/S Kanchanjunga pays the full invoice beyond 30 days of presentation of such Invoices, but within 60 days, no rebate shall be allowed.
- c) If M/S Kanchanjunga does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL.
- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by HPPTCL on or before the Due Date.
- e) If M/S Kanchanjunga fails to pay any Invoice on or before the Due Date HPPTCL may, except in the case of an Invoice Dispute, draw upon the Fixed Deposit Receipt / Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to M/S Kanchanjunga and accompanied with a declaration by HPPTCL that the amount due under such Invoice has not been paid by M/S Kanchanjunga. In the case of an Invoice Dispute, HPPTCL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;

4.15 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, M/S Kanchanjunga shall make payment to HPPTCL to the extent the charges are not the subject of an Invoice Dispute.

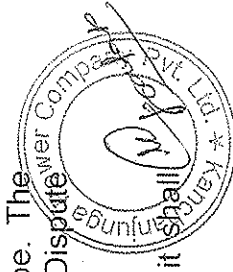
4.16 Disputed Invoices

If M/S Kanchanjunga does not question or dispute an Invoice within 7 (seven) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If M/S Kanchanjunga disputes any item or part of an item set out in any Invoice then M/S Kanchanjunga shall serve a notice ("Invoice Dispute Notice") on HPPTCL within 7 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

4.17 Notwithstanding that M/S Kanchanjunga has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL:

- a) The remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.14 of what the item or part of an item which is disputed should be. The estimate shall be furnished by M/S Kanchanjunga along with Invoice Dispute Notice.

4.18 If HPPTCL agrees with the Invoice Dispute Notice to which it relates, it shall



adjust the Invoice or refund the applicable amount to M/S Kanchanjunga within 5 (five) days of receipt of the Invoice Dispute Notice and estimate.

4.19 Payment Security to ADHPL

Within 7 days from the date of this Agreement, M/S Kanchanjunga shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit favoring HPPTCL and ADHPL as third party beneficiary.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 50,51,095/-.

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, M/S Kanchanjunga will also provide a Bank Guarantee from a scheduled Bank with ADHPL as beneficiary in an acceptable form to ADHPL, equal to the 1 month Transmission charges payment i.e. 50,51,095/- (valid all the times).

4.20 ADHPL may assign the letter of credit for the benefit of its lenders.

4.21 Payment Security to HPPTCL

Within 7 days from the date of this Agreement, M/S Kanchanjunga shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 9,60,000/-

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, M/S Kanchanjunga will also provide a Bank Guarantee from a scheduled Bank with HPPTCL as beneficiary in an acceptable form to HPPTCL, equal to the 1 month Transmission charges payment i.e. 9,60,000/- (valid all the times).

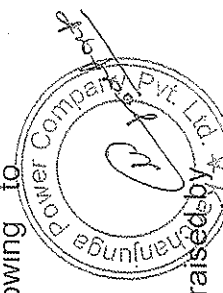
4.22 Taxes and Duties

M/s Kanchanjunga shall pay all taxes and duties along with cess and any other charges or levies as applicable in respect of any amount owing to ADHPL/HPPTCL under the Invoices.

4.23 Disconnection on account of default

Pls note
HPPTCL (Gau)
HPPTCL Barrow
House, Radial, Shirdi-2

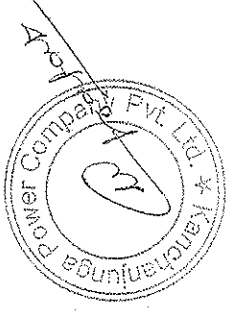
In case M/s Kanchanjunga fails to make payment of either of the bills raised by ADHPL or HPPTCL for a period of 60 days, a 30 days notice of disconnection



will be served upon M/s Kanchanjunga and even if the payment is not received within 30 days notice period, the wheeling/ transmission of power of M/S Kanchanjunga will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

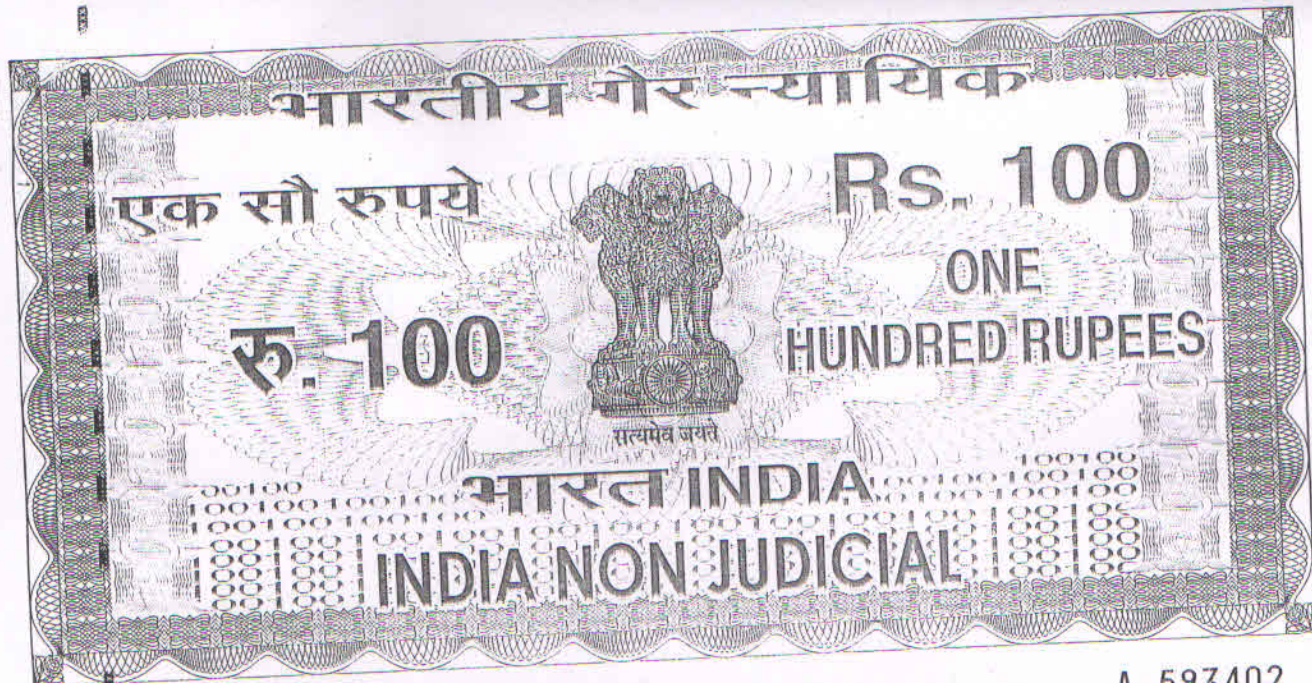
Further, in case M/s Kanchanjunga is not able to renew / extend the letters of credit or bank guarantees as provided in this schedule hereof, the wheeling/ transmission of power of M/S Kanchanjunga will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

For
M (CA)
MPTCL Barowala
House, Mohini, Shimla-2



REVENUE RECEIVED AT GIS S/STN PHOJAL YEARWISE BREAKUP

	IPP Name	Transmission Charges (in Rs.)				Remarks
		FY2016-17	FY2017-18	FY2018-19	FY2019-20	
1. 33/220kV GIS Substation at Phojal along with Transmission Line (COD 05.06.2016)	1. M/s Kanchanjunga Power Company Limited	₹ 4,681,876.00	₹ 9,923,240.00	₹ 8,176,128.00	₹ 3,975,118.00	Calculated From June 2016 to Aug 2019
	2. Himachal Pradesh State Electricity Board Limited (HPSEBL)	₹ 1,382,710.00	₹ 5,472,000.00	₹ 5,472,000.00	₹ 2,280,000.00	Calculated From June 2016 to Aug 2019
	Total	₹ 6,064,586.00	₹ 15,395,240.00	₹ 13,648,128.00	₹ 6,255,118.00	
	O & M Charges (in Rs.)					
		FY2016-17	FY2017-18	FY2018-19	FY2019-20	
	1. M/s Kanchanjunga Power Company Limited	-	-	-	₹ 1,262,902.00	
	Total	0	0	0	₹ 1,262,902.00	
Grand Total (Transmission +O&M Charges)		₹ 6,064,586.00	₹ 15,395,240.00	₹ 13,648,128.00	₹ 7,518,020.00	
TOTAL REVENUE RECEIVED (FY16-17+FY17-18+FY18-19+FY19-20)					₹ 42,625,974.00	



हिमाचल प्रदेश HIMACHAL PRADESH

A 593402

INTERIM POWER TRANSMISSION AGREEMENT

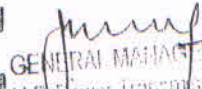
THIS INTERIM POWER TRANSMISSION AGREEMENT (hereinafter referred to as "TSA" or "Agreement") is being entered into on 30th Dec, 2016 at Shimla by and amongst the Parties named below to record the terms and conditions subject to which AD Hydro Power Limited agrees to wheel the energy of various Hydro Power generators and Himachal Pradesh Electricity Board Limited injected by Himachal Pradesh Power Transmission Corporation Limited from the interconnection points to Nalagarh Pooling Point using its Associated Transmission System.

HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Khalini, Shimla 171002, Himachal Pradesh, hereinafter referred to as "HPPTCL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by its authorized representative.

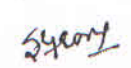
AND

HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD, a body corporate constituted by Government of Himachal Pradesh under the Companies Act 1956, having its registered office at Kumar House, Vidyut Bhawan, Shimla 171004 hereinafter called "HPSEBL", which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns) of the Second Part being represented by its authorized representative.

("HPPTCL" and "HPSEBL" are individually referred to as "Party" and collectively referred to as "Parties").


GENERAL MANAGER (Prof.)
H.P. Power Transmission Corp. Ltd.
Barowalia House, Khalini Shimla - 2

- 1 -


Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

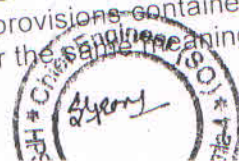
WHEREAS

- A. ADHPL is operating and maintaining a 192 MW hydroelectric project in the Kullu District of Himachal Pradesh, including the 220 kV Associated Transmission System from its Power House at Pirni up to Nalagarh as part of its 192 MW Hydro electric project ("ADHPL Project").
- B. HPPTCL is a state owned transmission company and has taken up to evacuate the power of various Hydro Power Generators (hereinafter referred to as IPP's) in the Beas valley (hereinafter referred to as "HPPTCL Customers"). In order to evacuate the power of these IPPs, HPPTCL has constructed the 220 kV D/C Transmission Line for a length of approximately 6.95 KM and a 220 kV Phojal sub-station ("HPPTCL Assets") interconnected with the 220 kV D/C ADHPL-Nalagarh Associated Transmission System ("ADHPL Assets").
- C. HPPTCL is presently wheeling the power of 24 MW Bara Gram Hydro Electric Project set up by M/S Kanchanjunga Hydro Power Private Limited in the valley and intends to wheel 11.4 MW of HPSEBL power from appointed date.
- D. ADHPL has agreed to wheel the energy/power injected by HPPTCL of its users i.e. "M/S Kanchanjunga" and HPSEBL subject to availability of unused capacity of its 220 kV Associated Transmission System after accommodating the injected energy/power from ADHPL and EPPL on such terms and conditions stated in this agreement.
- E. ADHPL is already wheeling the energy/power of EPPL (A 100 MW Hydro Electric Project in Kullu) on its associated transmission system from Chharor Substation of EPPL to Nalagarh in terms of Interim Power Transmission Agreement dated 9th August, 2011, signed between ADHPL and EPPL pursuant to the interim order of APTEL dated 10th June 2011 which was directed to be continued by the Hon'ble Supreme Court of India vide orders dated 08.03.2013 and order dated 24th August 2015 in Civil Appeal No. 1795/2013 filed by ADHPL against final order of APTEL.
- F. The parties have agreed to incorporate the terms of the interim agreement between ADHPL and EPPL into this agreement until further orders of the Hon'ble Supreme Court of India in Civil appeal No. 1795/2013.
- G. Wheeling of energy of "M/S Kanchanjunga" and HPSEBL is subject to achieving the Appointed Date, and furnishing of the Letters of Credit and Bank Guarantees, to the satisfaction of ADHPL and HPPTCL.
- H. HPSEBL shall obtain all requisite approvals from CTU and HPSLDC for injection/drawl of energy into HPPTCL System in ISTS Grid and HPSLDC has given its consent for scheduling and metering of energy injected by HPSEBL.
- I. HPSEBL has long term Transmission Service Agreement with HPPTCL and presently the injection/drawl by the users of HPPTCL at 220 KV side of their Phojal substation after adding 4.75% losses for M/s AD Hydro system is being considered as the injection/drawl of HP at 400 KV Nalagarh substation. HPSEBL shall submit a drawl/injection schedule at Nalagarh CTU to facilitate the energy accounting for other generators at Nalagarh. Provided further that this injection/drawl of energy by HPSEBL shall not be subject to any adjustment from the free power obligations of ADHPL.

NOW, THEREFORE, in consideration of the premises and mutual agreement, covenants and conditions set forth herein it is hereby agreed by and between the Parties hereto as follows:-

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In this Agreement, unless the context otherwise requires, all capitalized terms shall bear the meanings ascribed to them in **Schedule I** of this Agreement and this Agreement will be interpreted in accordance with the provisions contained in Schedule I. Any other terms not defined herein, would bear the same meaning as:



provided in the Electricity Act, 2003 and the Rules & Regulations framed therein.

2. SCOPE OF THE AGREEMENT

2.1 Pursuant to the Orders of Hon'ble Supreme Court of India dated 08.03.2013 for the interim arrangement and 24th August 2015 of Hon'ble Supreme Court of India in the matter of Civil Appeal No. 1795/2013 between **A D Hydro Power Limited vs Everest Power Private Limited and Ors** filed by ADHPL, the parties agree that HPPTCL shall inject "M/S Kanchanjunga's" and HPSEBL's energy/power at Interconnection Points and ADHPL agrees to wheel from the appointed date "M/S Kanchanjunga" and HPSEBL injected energy/power from inter connection point to Nalagarh Pooling Point through the Associated Transmission System of ADHPL.

2.2 The wheeling of power of "M/S Kanchanjunga" and HPSEBL from associated transmission system of ADHPL shall be subject to the first right of use by ADHPL. An authorized representative of ADHPL shall be deployed at the Phojal Sub-Station.

3. TRANSMISSION CHARGES AND TRANSMISSION LOSSES

3.1 HPPTCL shall pay to ADHPL, Transmission charges for wheeling of the power of "M/S Kanchanjunga" and HPSEBL from the Interconnection Points to Nalagarh Pooling Point or Nalagarh Pooling Point to Interconnection Points using the Associated Transmission System.

3.2 The details of Transmission charges for wheeling of 24 MW of "M/S Kanchanjunga" and 11.4 MW of HPSEBL power are set out in **Schedule II**.

3.3 In case of adding the power of any other HPPTCL Customer by HPPTCL, the charges shall be re- calculated on the same methodology and **schedule-II** shall be amended accordingly.

3.4 In addition to the payment of Transmission charges to ADHPL, M/S KANCHANJUNGA and HPSEBL shall be required to pay the transmission charges for the usages of the system owned by HPPTCL i.e. Phojal Sub-Station and Transmission line from the Sub-Station to the LILO point with AD Hydro system @ Rs. 40,000/- per MW per Month subject to adjustment as per tariff order to be passed by the Regulatory Commission in future.

3.5 In addition to the payment of Transmission charges to ADHPL and HPPTCL, M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED and HPSEBL shall bear the Transmission Losses on the Injected Energy / Power of "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" evacuated through ADHPL's Associated Transmission System @ 4.75% (Four Point Seven Five percent) of injected power and energy at the interconnection point.

By way of an illustration it may be clarified that if the Injected Energy of "M/S Kanchanjunga" and HPSEBL at the interconnection point is 100 MU, the Delivered Energy of M/S Kanchanjunga and HPSEBL at Nalagarh shall be (100 – 4.75) MU = 95.25 MU. Similarly, if 100 MW is the injected average power in a block of 15 minutes, as recorded by ABT meters installed at interconnection point, the delivered power of M/S Kanchanjunga and HPSEBL at Nalagarh shall be 95.25 MW in the same block of 15 minutes.

3.6 "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" and HPSEBL shall also bear the Transmission losses in the HPPTCL system.

4. TERM

4.1 This Agreement shall come into full force and effect from the date of the interconnection of the HPSEBL system with Associated Transmission System of HPPTCL at Phojal, the Interconnection Point ("**Appointed Date**").

4.2 This Agreement shall be subject to modification in such terms which may be

required to incorporate the effect of the order of the Hon'ble Supreme Court of India in the matter for use of dedicated transmission line by any other users in civil appeal number 1795/2013. The Parties agree that upon such orders this agreement shall be restated / amended in accordance thereof within 30 days.

5. OPERATION AND MAINTENANCE

- 5.1 ADHPL will undertake and be responsible for the operation, maintenance and repair of the Associated Transmission System (ATS) in accordance with the Prudent Utility Practices, the Indian Electricity Grid Code, instructions of HPSLDC/NRLDC and Applicable Law. However HPPTCL will undertake and be responsible for the operation and maintenance of the HPPTCL Assets at Phojal.
- 5.2 The operation and maintenance charges shall for the time being be borne by the Parties in the manner set out in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.
- 5.3 The HPSLDC/Northern Region Regional Load Dispatch Centre will –
- (a) Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the ADHPL Project, EPPL Project, M/S Kanchanjunga and HPSEBL separately; and
 - (b) Settle the UI/Deviations directly with M/S Kanchanjunga and HPSEBL.
- 5.4 Schedule and dispatch the power generation, prepare UI accounts and energy accounts for "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will be done by the HPSLDC.

6. OUTAGES AND AVAILABILITY OF THE SYSTEM

- 6.1 The Parties will agree upon the Scheduled Outages Plan.
- 6.2 ADHPL shall have the first right of use of its Associated Transmission System and any unused capacity left after the usage of ADHPL and EPPL shall be allowed to be used by the HPPTCL for M/S Kanchanjunga and HPSEBL.

7. METERING AND ENERGY ACCOUNTING

- 7.1 The Parties agree that the metering will be undertaken in accordance with the provisions set forth in **Schedule III**, subject to the approval of NRLDC/ HPSLDC.

8. PAYMENT AND BILLING

- 8.1 All payment and billing in respect of the Transmission charges and any other payment, reimbursement or charges payable by M/S Kanchanjunga and HPSEBL to ADHPL and HPPTCL shall be done in accordance with the provisions of **Schedule IV**.

9. FORCE MAJEURE

- 9.1 This shall be as per Indian Electricity Grid Code.

10. REPRESENTATIONS AND WARRANTIES

- 10.1 The Parties represent and warrant to each other that:

- (a) they are duly authorize and validly existing under the laws of India, and have full power and authority to execute, deliver and perform their obligations under, and to carry out the transactions contemplated in, this Agreement;
- (b) they have taken all necessary corporate and other actions under Applicable Law to authorise the execution, delivery and performance of this Agreement;
- (c) this Agreement has been duly executed by them and constitutes their

[Signature]



legal, valid and binding obligations, enforceable against them in accordance with the terms of this Agreement;

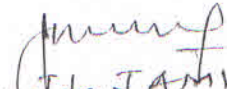
- (d) they have the financial standing and capacity to undertake their obligations in accordance with the terms of this Agreement and they are not insolvent and no insolvency proceedings have been instituted, nor threatened or pending against them.

11 CHANGE IN LAW

- 11.1 M/S Kanchanjunga and HPSEBL in proportion to their installed capacity shall bear the expenses incurred towards, or as a consequence of a Change in Law. However, if any additional statutory expense occurs solely due to sharing of Associated Transmission System of AD Hydro as well the HPPTCL system, then the same shall be fully borne by M/S Kanchanjunga and HPSEBL.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR REPRESENTATIVE / DULY AUTHORISED OFFICERS AS OF THE DATE SET FORTH ABOVE.

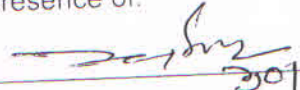
SIGNED & DELIVERED by the within name
HIMACHAL PRADESH POWER
TRANSMISSION CORPORATION LIMITED
Through its authorized signatory


(ER J.L. JAMWAL)
GENERAL MANAGER,
H.P. Power Transmission Corp. Ltd.
Bhawana House, Khalini Shimla - 2

SIGNED & DELIVERED by the within named
HIMACHAL PRADESH STATE ELECTRICITY BOARD
LIMITED
Through its authorized signatory,

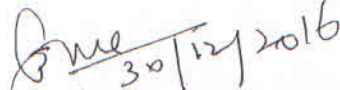

(Ee. Suneel Grewal)
Chief Engineer (System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

In the presence of:

1. 
30/12/2016

Name Er. Joginder Singh

(Address SEC (Inter-State), HPSEBL
Toty, Shimla-11.)

2. 
30/12/2016

Name Sandeep Kumar Haryna

(Address Hinged Bhawan
Pajari, Below old
MLA Quater, Shimla-
171005)

SCHEDULE I – DEFINITIONS

DHPL

means 192 MW AD Hydro Power Project alongwith its Associated Transmission System.

EPPL Delivered Energy

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/ power minus Losses 4.75% of EPPL Injected Energy/power.

ADHPL Delivered Energy/power

The Total Delivered Energy/Power measured at Nalagarh minus the M/S Kanchanjunga, HPSEBL and EPPL Delivered Energy/Power shall be "ADHPL Delivered Energy/power".

ADHPL Installed Capacity

is 192 MW (as per Techno Economic Clearance);

ADHPL Project

has the meaning ascribed to it in Recital A;

Agreement

means this Interim Power Transmission Agreement;

Applicable Law

means any statute, law, ordinance, notification, rule, regulation, judgment, order, decree, bye-law, approval, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of the Government of India, Government of Himachal Pradesh or any Government Instrumentality or instrumentality thereof, as may be in effect on the date of the execution of this Agreement and during the subsistence thereof and applicable to the subject matter of this Agreement.

Appointed Date

means the date on which connectivity has been provided to HPSEBL system with HPPTCL's Phojal substation at interconnection points after meeting out the technical criteria.

Appropriate Commission

shall have the same meaning as set out in Section 2(4) of the Electricity Act, 2003 as amended from time to time;

Associated Transmission System

Means the Associated Transmission System (ATS) forming part of the ADHPL Project comprising 220 kV Double Circuit Line between ADHPL Project and Nalagarh Sub-station of CTU including two bays (owned by ADHPL) at Nalagarh Sub-station (owned by the CTU), two bays at Prini (owned by ADHPL).

CEA

means the Central Electricity Authority of India constituted under the Electricity (Supply) Act, 1948 and operating under the Electricity Act, 2003 including any successors which fulfill the same role;

CERC

means Central Electricity Regulatory Commission of India constituted under Section 76 of the Electricity Act, 2003 and any successors which fulfill the same role;

Change in Law

means the occurrence of any of the following after the date of this Agreement:

- a) the enactment, bringing into effect, adoption or promulgation of any new Applicable Law,
- b) the repeal, amendment, modification or re-enactment in whole or in part of any existing Applicable Law,
- c) the commencement of any Applicable Law,
- d) a change in the interpretation or application of any Applicable Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Applicable Law,
- e) the imposition (other than for cause) of a requirement for a Consent which did not exist, or was not applicable to ADHPL on the date of this Agreement,
- f) a change (other than for cause) in the terms and conditions attaching to a Consent after it has been given or the attachment of any new terms or conditions to such Consent,
- g) the revocation or cancellation (other than for cause) of any Consent.


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- or
- h) change in the rate of tax, cess, levies, import duties or like charges, including the imposition of a new tax, cess, levy, import duty of like charges.
- i) Decision/Order of the Hon'ble Supreme Court of India in civil appeal number 1795/2013 between ADHPL vs EPPL and Ors in respect of use of a dedicated transmission system by others

Check Meters
Consent

refers to the check meters as depicted in **Schedule III**.

shall mean and include all authorizations, consents, licenses, approvals, registrations, clearances, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided;

Total Delivered
Energy/Power

means the total Energy/Power injected at the Nalagarh Pooling Point through the Associated Transmission System as determined in kWh on the basis of the readings of the Main Meters or Check Meters installed at the Nalagarh Substation.

Due Date

Has the meaning ascribed to it in **Schedule IV**;

EPPL

mean Everest Power Private Limited;

EPPL Delivered
Energy/Power

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/power at Chaurar Sub-station minus 4.75% of EPPL Injected Energy/power at Chhaur Sub-station.

EPPL Injected
Energy/Power

means the total energy/power generated and sent out by both the generating units of EPPL Project, as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Point at Chhaur ("EPPL Injection Point"). This amount of total energy/power injected shall be referred to as the "EPPL Injected Energy/power";

EPPL Injection Point
Forced Outages

Means the Interconnection Point at Chhaur.

means an outage that has not been scheduled to occur in accordance with the agreed Scheduled Outage as per the definition of the Indian Electricity Grid Code;

HPPTCL Assets

means 33/220 kV Phojal substation along with electrical and mechanical apparatus and 220 kV D/C Transmission Line from Phojal Sub-station upto the point of interconnection with ATS of ADHPL.

M/S Kanchanjunga

means **M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED** (24 MW Baragaon SHEP in Distt Kullu) having a back to back transmission agreement with HPPTCL for evacuating their power by use of ADHPL's ATS.

Injected Energy

means the total energy/power of M/S Kanchanjunga and HPSEBL injected by HPPTCL at interconnection points as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Points at Phojal. This amount of total energy/power injected shall be referred to as the "M/S Kanchanjunga Hydro Power Ltd and HPSEBL Injected Energy/power";

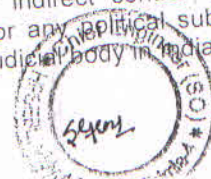
Delivered Energy

means energy injected by M/S Kanchanjunga and HPSEBL minus losses 4.75% of Injected Energy and minus the Transmission losses in the HPPTCL system. (As discussed in clauses 3.5 & 3.6 of IPTA)

Indian Governmental
Instrumentality

means Government of India, Government of any State of India or any Ministry, department, board, authority, instrumentality, agency, corporation or commission under the direct or indirect control of Government of India or any State Government or any political sub-division of any of them or any court or tribunal or judicial body in India;


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Indian Electricity Grid
Code or "IEGC"
Interconnection Facilities

means the Grid Code as defined in the Electricity Act, 2003;

Interconnection Points

means the facilities set up by HPPTCL at Phoal in the Kullu District of Himachal Pradesh, as may be required for the transmission of energy through the use of the Associated Transmission System, in accordance with the provisions of this Agreement and Prudent Utility Practice.

Invoices

means the points at which HPPTCL injects the power for M/S Kanchanjunga and HPSEBL into the Dedicated Transmission System of ADHPL from 220 kV substation of HPPTCL at Phoal.

Invoice Dispute

has the meaning ascribed to it in **Schedule IV**.

Invoice Dispute Notice

means a dispute with regard to Invoices issued in accordance with **Schedule IV**.

KW

has the meaning ascribed to it in **Schedule IV**;

KwH

means kilowatt;

means kilo watt hours;

Letter of Credit

has the meaning ascribed to it in **Schedule IV**;

Loss

means any loss, liability, damage, cost, expense, interest, fines, penalties, claims and amounts paid in settlement, suffered, incurred, paid or payable by ADHPL (including loss, or exposure, or cash call, shortfall or deficiency of any kind in connection with the transactions contemplated by this Agreement;

Main Meters

refers to the main meters as depicted in **Schedule III**;

Monthly Transmission
charges Invoice

has the meaning ascribed to it in **Schedule IV**;

Monthly Transmission
charges Payment

has the meaning ascribed to it in **Schedule IV**;

Nalagarh Pooling Point

means the point at which the Associated Transmission System connects with the 220kV Bus Bars at Nalagarh Substation of CTU.

Nalagarh Substation

Means the substation established by CTU at Nalagarh.

NRLDC

means the Northern Region Load Dispatch Centre constituted under the Electricity Act 2003;

Prudent Utility Practices

means the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of Project equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:

- (i) operation, repair and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the project,
- (ii) the requirements of Applicable Laws, and
- (iii) the physical conditions at the Site.

Scheduled Outage

means an outage of the Associated Transmission System undertaken in accordance with the Scheduled Outage Plan;

Scheduled Outage Plan

means the plan to be agreed upon by the Parties in connection with the scheduled outages and which shall take effect from the Appointed Date;

HPSLDC

Means the Himachal Pradesh State Load Dispatch Centre as



constituted under Section 31 of the Electricity Act, 2003;

Means the Himachal Pradesh State ELECTRICITY BOARD LIMITED.

HPSEBL

means the charges for evacuation of Injected Power of M/S Kanchanjunga and HPSEBL to be calculated based on Schedule II and as discussed in clauses 3.4 of IPTA.

Transmission charges

Has the meaning set out in CERC/SLDC (Unscheduled Interchange charges and related matters) Regulations, 2014.

Deviation charges


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Barowaka House, Khatini Shimla - 2



Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004

SCHEDULE II – TRANSMISSION CHARGES of ADHPL System

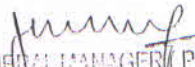
(Calculation of the Interim Transmission charges)

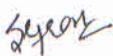
Sr.No.	Description	Amount	charges payable as per CERC Regulations	Value as per CERC Regulations	Value	Amount payable annually
1	Capital cost – 100%	414,30,61,000#	Operation and Maintenance charges **		Lumpsum	2,20,00,000
			Depreciation on capital	5.28% on 90% capital	5.28%	19,68,78,258
2	Loan – 70%		Interest on borrowed capital	Rate of interest to be weighted average for const period	11%	31,90,15,967
3	Equity – 30%		Return on Equity	15.5% Income tax at present, MAT as applicable at 20.007755%	19.38%	24,08,38,752
4	Interest on working capital		Working Capital	2 months receivable	13,30,12,180	
				15% of O&M as cost of spares	33,00,000	
				1 months O&M cost	18,33,333	1,93,40,372
				Working Capital	13,81,45,513	
				14% Working Capital	1,93,40,372	
	To be received annually from ADHPL, HPPTCL for Kanchanjunga, HPSEBL and EPPL for total transmission of 327.40 MW					79,80,73,079
	M/S Kanchanjunga portion of charges for 24 MW annually					5,85,02,608
	M/S Kanchanjunga portion, equivalent to 24MW, payable monthly					48,75,218
	EPPL portion, equivalent to 100 MW, payable annually					24,37,60,867
	EPPL portion, equivalent to 100 MW, payable monthly					2,03,13,406
	HPSEBL portion, equivalent to 11.40 MW, payable annually					2,77,88,739
	HPSEBL portion, equivalent to 11.40 MW, payable monthly					23,15,728
	ADHPL portion, equivalent to 192 MW, payable annually					46,80,20,865
	ADHPL portion, equivalent to 192 MW, payable monthly					3,90,01,739

Note: The taxes & duties as applicable are additionally payable by M/S Kanchanjunga and HPSEBL over and above the invoice value.

The capital Cost tentatively considered above for working out Transmission charges is based on a letter from auditors of ADHPL.

** For the purpose of calculation of the Transmission charges, O&M charges have been taken as Rs. 2,20,00,000 (lump sum).


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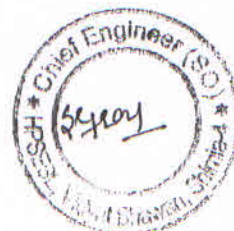

 Chief Engineer (System Operation)
 H.P. State Electricity Board Limited
 Vidyt Bhawan, Shimla-171004

SCHEDULE III - METERING ARRANGEMENT

AS per SLD attached

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[Signature]
GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
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SCHEDULE IV - PAYMENT AND BILLING

4.1 Transmission charges

The Appointed Date shall be the date of interconnection of HPSEBL system with HPPTCL's Phojal substation and further with Associated Transmission System of ADHPL at Interconnection Point.

From the Appointed Date, HPSEBL shall pay HPPTCL the Transmission charges. The Transmission charges shall be paid on a monthly basis ("**Monthly Transmission charges**") via a Monthly Transmission charges Invoice, and such monthly payment is referred to as "**Monthly Transmission charges Payment**". Calculation of Transmission charges shall be done as per the methodology given in Schedule II and as notified in para 3.5 of the agreement.

4.2 Other Payments

Any other payment, reimbursement or charges payable by HPPTCL to ADHPL, by HPSEBL to HPPTCL, including, but not limited to, any payment in relation to Change in Law charged by ADHPL or HPPTCL will be paid by HPSEBL via a Supplementary Invoice and vice versa.

4.3 Each Party shall be responsible for paying their respective UI/Deviation charges that are payable by such Party as determined by the Northern Regional Load Dispatch Centre/HPSLDC.

4.4 Delivery of Invoices for the usage of ADHPL /HPPTCL System

ADHPL shall submit to HPPTCL the Supplementary Invoices and the invoice for the Monthly Transmission charges Payment based on agreed connectivity in terms of MW corridor ("**Monthly Transmission charges Invoice**"), which shall be collectively referred to as "**Invoices**", by the 5th (fifth) day of the succeeding month (or, if such day is not a business day, the immediately following business day). The Invoices will include the computation of the demand payment or the Monthly Transmission charges payable where applicable, in respect of the immediately preceding month.

4.5 After the receipt of the invoice by HPPTCL from ADHPL, the same shall be either emailed/ faxed/ Hand delivered/couriered to HPSEBL within 3 days for payment of the same to ADHPL/HPPTCL.

4.6 Delivery of HPPTCL Invoices for the usage of HPPTCL System

Along with the passing on of the ADHPL invoices to HPSEBL, HPPTCL shall also raise its invoice to HPSEBL for the usage of the transmission system by HPSEBL.

4.7 The '**Due Date**' of both the invoices shall be reckoned as 50 days from the date of presentation of invoices by HPPTCL. The invoice shall be either emailed/ faxed/ Hand delivered/couriered by HPPTCL and delivery of any/either of these shall be construed as delivery to HPSEBL.

4.8 Each Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation and information.

4.9 Payment of Invoices raised by ADHPL for the usage of ADHPL Systems

HPSEBL shall deposit the amount payable to ADHPL & HPPTCL under Invoices, into the account nominated by HPPTCL as under.

a) If HPSEBL pays the full invoice within 21 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).

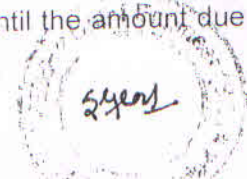
b) If HPSEBL pays full invoice beyond 21 days of presentation of such Invoices, but within 50 days, no rebate shall be allowed.

c) If HPSEBL does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 25% (one



point two five percent) per month. Such surcharges shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL, calculated on a daily basis.

- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by ADHPL on or before the Due Date.
 - e) If HPSEBL fail to pay any Invoice raised by ADHPL on or before the Due Date ADHPL may, except in the case of an Invoice Dispute, draw upon the Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPPTCL and accompanied with a declaration by ADHPL that the amount due under such Invoice has not been paid by HPSEBL. In the case of an Invoice Dispute, ADHPL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;
- 4.10 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, HPSEBL shall make payment to ADHPL/HPPTCL to the extent the charges are not the subject of an Invoice Dispute, and same shall be deemed payable in full by HPSEBL to HPPTCL/ ADHPL.
- 4.11 **Disputed Invoices**
- If HPSEBL does not question or dispute an Invoice within 4 (four) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If HPSEBL disputes any item or part of an item set out in any Invoice then HPSEBL shall serve a notice ("**Invoice Dispute Notice**") on HPPTCL within 4 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.
- 4.12 Notwithstanding that HPSEBL has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL/ADHPL:
- (a) the remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
 - (b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.11 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPPTCL along with Invoice Dispute Notice.
- 4.13 HPPTCL shall pass on the above mentioned disputed invoice notice to ADHPL and if ADHPL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPPTCL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate which shall be further refunded to HPSEBL by HPPTCL.
- 4.14 **Payment of Invoices raised by HPPTCL for the usage of HPPTCL System**
- HPSEBL shall deposit the amount payable to HPPTCL under Invoices, into the account nominated by HPPTCL.
- a) If HPSEBL pays the full invoice within 30 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
 - b) If HPSEBL pays the full invoice beyond 30 days of presentation of such Invoices, but within 60 days, no rebate shall be allowed.
 - c) If HPSEBL does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is



actually received by HPPTCL.

- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by HPPTCL on or before the Due Date.
- e) If HPSEBL fails to pay any Invoice on or before the Due Date HPPTCL may, except in the case of an Invoice Dispute, draw upon the Fixed Deposit Receipt / Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPSEBL and accompanied with a declaration by HPPTCL that the amount due under such Invoice has not been paid by HPSEBL. In the case of an Invoice Dispute, HPPTCL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;
- 4.15 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, HPSEBL shall make payment to HPPTCL to the extent the charges are not the subject of an Invoice Dispute.

4.16 Disputed Invoices

If HPSEBL does not question or dispute an Invoice within 7 (seven) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If HPSEBL disputes any item or part of an item set out in any Invoice then HPSEBL shall serve a notice ("**Invoice Dispute Notice**") on HPPTCL within 7 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

- 4.17 Notwithstanding that HPSEBL has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL:

- a) The remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.14 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPSEBL along with Invoice Dispute Notice.

- 4.18 If HPPTCL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPSEBL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate.

4.19 Payment Security to ADHPL

Within 3 days from the date of this Agreement, HPSEBL shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit favoring HPPTCL and ADHPL as third party beneficiary.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 23,15,728/-.

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, HPSEBL will also provide a Bank Guarantee from a scheduled Bank with ADHPL as beneficiary in an acceptable form to ADHPL, equal to the 1 month Transmission charges payment i.e. 23,15,728/- (valid all the times).

- 4.20 ADHPL may assign the letter of credit for the benefit of its lenders.



4.21 Payment Security to HPPTCL

Within 5 days from the date of this Agreement, HPSEBL shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 4,56,000/-

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, HPSEBL will also provide a Bank Guarantee from a scheduled Bank with HPPTCL as beneficiary in an acceptable form to HPPTCL, equal to the 1 month Transmission charges payment i.e. 4,56,000/- (valid all the times).

4.22 Taxes and Duties

HPSEBL shall pay all taxes and duties along with cess and any other charges or levies as applicable in respect of any amount owing to ADHPL/HPPTCL under the Invoices.

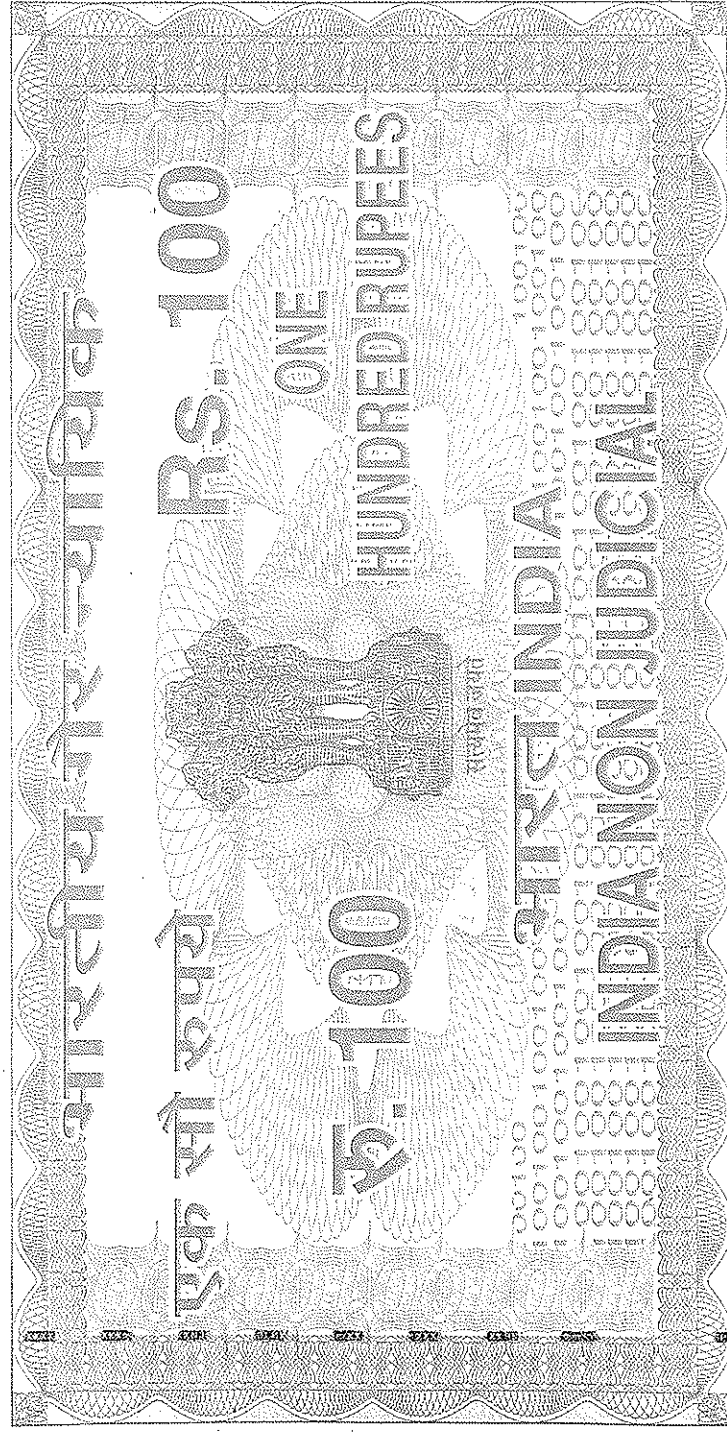
4.23 Disconnection on account of default

In case HPSEBL fails to make payment of either of the bills raised by ADHPL or HPPTCL for a period of 60 days, a 30 days notice of disconnection will be served upon HPSEBL and even if the payment is not received within 30 days notice period, the wheeling/ transmission of power of HPSEBL will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

Further, in case HPSEBL is not able to renew / extend the letters of credit or bank guarantees as provided in this schedule hereof, the wheeling/ transmission of power of HPSEBL will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.


GENERAL MANAGER (Proj.)
H.P. Power Transmission Corp. Ltd.
Barowalla House, Khairi Shimla - 2


Chief Engineer(System Operation)
H.P. State Electricity Board Limited
Vidyut Bhawan, Shimla-171004



हिमाचल प्रदेश HIMACHAL PRADESH

A 585704

INTERIM POWER TRANSMISSION AGREEMENT

THIS INTERIM POWER TRANSMISSION AGREEMENT (hereinafter referred to as "TSA" or "Agreement") is being entered into on 28.04.2016 at Shimla by and amongst the Parties named below to record the terms and conditions subject to which AD Hydro Power Limited agrees to wheel the energy of various Hydro Power generators injected by Himachal Pradesh Power Transmission Corporation Limited from the interconnection points to Nalagarh Pooling Point using its Associated Transmission System.

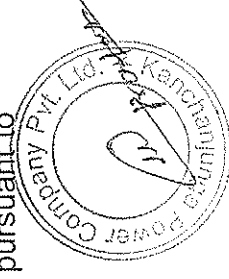
HIMACHAL PRADESH POWER TRANSMISSION CORPORATION LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Khalini, Shimla 171002, Himachal Pradesh, hereinafter referred to as "HPPTCL" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by representative of HPPTCL authorized vide office order no. HPPTCL/C&M/Kanchanjunga/2016-17-713 dated 28/04/2016.

AND

M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED, a company incorporated under the provisions of the Companies Act, 1956, is a hydro generating company, having its registered office at Unit No. 307, Third Floor, Corporate-One, Plot No. 5, Non Hierarchical Commercial Centre, Jasola, New Delhi-110076 and its Corporate office at 3rd Floor, B-37, Sector-1, Noida-201301 (U.P) hereinafter referred to as "M/S KANCHANJUNGA" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, and permitted assigns) being represented by its authorized representative pursuant to the Power of Attorney dated 7th Oct 2009.

Handwritten signature
28/04/16
DGM (C&M)
HPPTCL Barowala
House, Kharla, Sector-2

- 1 -



"HPPTCL" and "M/S KANCHANJUNGA" are individually referred to as "Party" and collectively referred to as "Parties").

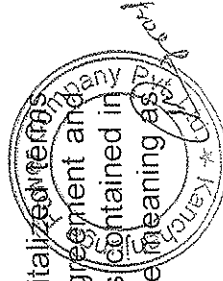
WHEREAS

- A. ADHPL is operating and maintaining a 192 MW hydroelectric project in the Kullu District of Himachal Pradesh, including the 220 kV Associated Transmission System from its Power House at Pirni up to Nalagarh as part of its 192 MW Hydro electric project ("ADHPL Project").
- B. HPPTCL is a state owned transmission company and has taken up to evacuate the power of various Hydro Power Generators (hereinafter referred to as IPP's) in the Beas valley (hereinafter referred to as "HPPTCL Customers"). In order to evacuate the power of these IPPs, HPPTCL has constructed the 220 kV D/C Transmission Line for a length of approximately 6.95 KM and a 220 kV Phojal sub-station ("HPPTCL Assets") planned to be interconnected with the 220 kV D/C ADHPL-Nalagarh Associated Transmission System ("ADHPL Assets").
- C. HPPTCL intends to presently wheel the power of 24 MW Baragaon SHEP set up by M/S Kanchanjunga in the valley from appointed date by signing this back to back TSA consequent to the Interim Power Transmission Agreement executed between HPPTCL and ADHPL.
- D. ADHPL has agreed to wheel the energy/power injected by HPPTCL of "M/S Kanchanjunga" subject to availability of unused capacity of its 220 kV Associated Transmission System after accommodating the injected energy/power from ADHPL and EPPL on such terms and conditions stated in this agreement.
- E. ADHPL is already wheeling the energy/power of EPPL (A 100 MW Hydro Electric Project in Kullu) on its associated transmission system from Chharor Substation of EPPL to Nalagarh in terms of Interim Power Transmission Agreement dated August 9, 2011, signed between ADHPL and EPPL pursuant to the interim order of APTEL dated 10th June 2011 which was directed to be continued by the Hon'ble Supreme Court of India vide orders dated 08.03.2013 and order dated 24th August 2015 in Civil Appeal No. 1795/2013 filed by ADHPL against final order of APTEL.
- F. The parties have agreed to incorporate the terms of the interim agreement between ADHPL and EPPL into this agreement until further orders of the Hon'ble Supreme Court of India in Civil appeal No. 1795/2013.
- G. Wheeling of energy/Power of "M/S Kanchanjunga" is subject to achieving the Appointed Date, and furnishing of the Letters of Credit and Bank Guarantees, to the satisfaction of ADHPL and HPPTCL.
- H. M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED shall obtain all requisite approvals from CTU and HPSLDC or any other concerned agencies for injection of energy/power into HPPTCL System for onward injection into ISTS Grid for scheduling and metering of energy injected by M/S KANCHANJUNGA.

NOW, THEREFORE, in consideration of the premises and mutual agreement, covenants and conditions set forth herein it is hereby agreed by and between the Parties hereto as follows:-

1. DEFINITIONS AND INTERPRETATIONS

- 1.1 In this Agreement, unless the context otherwise requires, all capitalized terms shall bear the meanings ascribed to them in **Schedule I** of this Agreement and this Agreement will be interpreted in accordance with the provisions contained in **Schedule I**. Any other terms not defined herein, would bear the same meaning as in **Schedule I**.



[Signature]
Director (Operations)
HPPTCL Baragaon
House, Khaila, Gurgaon-2

provided in the Electricity Act, 2003 and the Rules & Regulations framed therein.

2. SCOPE OF THE AGREEMENT

2.1 Pursuant to the Orders of Hon'ble Supreme Court of India dated 08.03.2013 for the interim arrangement and 24th August 2015 of Hon'ble Supreme Court of India in the matter of Civil Appeal No. 1795/2013 between **A D Hydro Power Limited vs Everest Power Private Limited and Ors** filed by ADHPL, the parties agree that HPPTCL shall inject "M/S Kanchanjunga's" energy/power at Interconnection Points and ADHPL agrees to wheel from the appointed date "M/S Kanchanjunga" injected energy/power from inter connection point to Nalagarh Pooling Point through the Associated Transmission System of ADHPL.

2.2 The wheeling of energy/power of "M/S Kanchanjunga" through associated transmission system of ADHPL shall be subject to the first right of use by ADHPL. An authorized representative of ADHPL shall be deployed at the Phojal Sub-Station.

3. TRANSMISSION CHARGES AND TRANSMISSION LOSSES

3.1 HPPTCL shall pay to ADHPL, Transmission charges for wheeling of the power of "M/S Kanchanjunga" from the Interconnection Points to Nalagarh Pooling Point or Nalagarh Pooling Point to Interconnection Points using the Associated Transmission System.

3.2 The details of Transmission charges for wheeling of 24 MW of power are set out in **Schedule II**.

3.3 In case of adding the energy/power of any other HPPTCL Customer by HPPTCL, the charges shall be re- calculated on the same methodology and **schedule-II** shall be amended accordingly.

3.4 In addition to the payment of Transmission charges to ADHPL, M/S KANCHANJUNGA shall be required to pay the transmission charges for the usages of the system owned by HPPTCL i.e. Phojal Sub-Station and Transmission line from the Sub-Station to the LILO point with AD Hydro system @ Rs. 40,000/- per MW per Month Subject to adjustment as per tariff order to be passed by the Regulatory Commission in future.

3.5 In addition to the payment of Transmission charges to ADHPL and HPPTCL, M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED will bear the Transmission Losses on the Injected Energy / Power of "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" evacuated through ADHPL's Associated Transmission System @ 4.75% (Four Point Seven Five percent) of injected power and energy at the interconnection point.

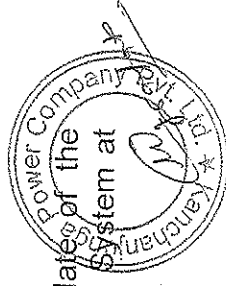
By way of an illustration it may be clarified that if the Injected Energy of "M/S Kanchanjunga" at the interconnection point is 100 MU, the Delivered Energy of M/S Kanchanjunga at Nalagarh shall be (100 - 4.75) MU = 95.25 MU. Similarly, if 100 MW is the injected average power in a block of 15 minutes, as recorded by ABT meters installed at interconnection point, the delivered power of M/S Kanchanjunga at Nalagarh shall be 95.25 MW in the same block of 15 minutes.

3.6 "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will also bear the Transmission losses in the HPPTCL system.

4. TERM

4.1 This Agreement shall come into full force and effect from the date of the interconnection of the HPPTCL Assets with Associated Transmission System at Phojal, the Interconnection Point ("**Appointed Date**").

Phojal
DGM (C&M)
HPPTCL Barowala
House, Ghatal, Chakole-2



4.2 This Agreement shall be subject to modification in such terms which may be required to incorporate the effect of the order of the Hon'ble Supreme Court of India in the matter for use of dedicated transmission line by any other users in civil appeal number 1795/2013. The Parties agree that upon such orders this agreement shall be restated/amended in accordance thereof within 30 days.

5. OPERATION AND MAINTENANCE

5.1 ADHPL will undertake and be responsible for the operation, maintenance and repair of the Associated Transmission System (ATS) in accordance with the Prudent Utility Practices, the Indian Electricity Grid Code, instructions of HPSLDC/NRLDC and Applicable Law. However HPPTCL will undertake and be responsible for the operation and maintenance of the HPPTCL Assets at Phojal.

5.2 The operation and maintenance charges shall for the time being be borne by the Parties in the manner set out in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.

5.3 The HPSLDC/Northern Region Regional Load Dispatch Centre will –

- (a) Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the ADHPL Project, EPPL Project and M/S Kanchanjunga separately; and
- (b) Settle the UI/Deviations directly with M/S Kanchanjunga.

5.4 Schedule and dispatch the power generation, prepare UI accounts and energy accounts for the "M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED" will be done by the HPSLDC.

6. OUTAGES AND AVAILABILITY OF THE SYSTEM

6.1 The Parties will agree upon the Scheduled Outages Plan.

6.2 ADHPL shall have the first right of use of its Associated Transmission System and any unused capacity left, after the usage of ADHPL and EPPL, shall be allowed to be used by the HPPTCL for M/S Kanchanjunga.

7. METERING AND ENERGY ACCOUNTING

7.1 The Parties agree that the metering will be undertaken in accordance with the provisions set forth in **Schedule III**, subject to the approval of NRLDC/ HPSLDC.

8. PAYMENT AND BILLING

8.1 All payment and billing in respect of the Transmission charges and any other payment, reimbursement or charges payable by M/S Kanchanjunga to ADHPL and HPPTCL shall be done in accordance with the provisions of **Schedule IV**.

9. FORCE MAJEURE

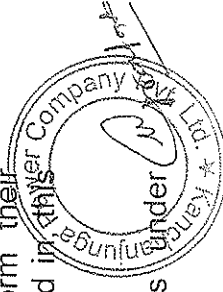
9.1 This shall be as per Indian Electricity Grid Code.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Parties represent and warrant to each other that:

(a) they are duly authorize and validly existing under the laws of India, and have full power and authority to execute, deliver and perform their obligations under, and to carry out the transactions contemplated in this HPPTCL Sarowalla Agreement;
House, Khobini, Shillong

(b) they have taken all necessary corporate and other actions



Applicable Law to authorise the execution, delivery and performance of this Agreement;

- (c) this Agreement has been duly executed by them and constitutes their legal, valid and binding obligations, enforceable against them in accordance with the terms of this Agreement;
- (d) they have the financial standing and capacity to undertake their obligations in accordance with the terms of this Agreement and they are not insolvent and no insolvency proceedings have been instituted, nor threatened or pending against them.

11 CHANGE IN LAW

11.1 M/S Kanchanjunga in proportion to their installed capacity shall bear the expenses incurred towards, or as a consequence of a Change in Law. However, if any additional statutory expense occurs solely due to sharing of Associated Transmission System of AD Hydro as well the HPPTCL system, then the same shall be fully borne by M/S Kanchanjunga.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR REPRESENTATIVE / DULY AUTHORISED OFFICERS AS OF THE DATE SET FORTH ABOVE.

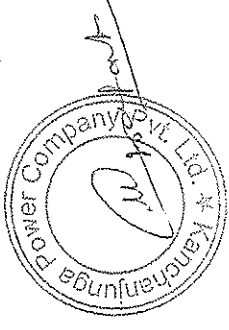
SIGNED & DELIVERED by the within name
HIMACHAL PRADESH POWER
TRANSMISSION CORPORATION LIMITED
Through its authorized signatory

21/4/16
K. A. K. Khanoria
DCM (CAM)
HPPTCL, Bawana
House, Okhla, Delhi-2

SIGNED & DELIVERED by the within named
M/S KANCHANJUNGA POWER COMPANY PRIVATE
LIMITED

Through its authorized signatory,

KUMAR VRAJ PRATAP AJAY



In the presence of:

1. *21/4/16* 2. *[Signature]*

E. SUNIL KUMAR SAH
Sr. Manager (CC&M)
HPPTCL, SHIMLA-171002

Name *Mamoy Kumar Sharma*

(Address _____)

(Address *Go Kanchanjunga Power*
Company Private Limited,
B-37 - Sector 7 - Noida

SCHEDULE I – DEFINITIONS

ADHPL

means 192 MW AD Hydro Power Project alongwith its Associated Transmission System .

EPPL Delivered Energy

“EPPL Delivered Energy/power” shall be EPPL Injected Energy/ power minus Losses 4.75% of EPPL Injected Energy/power.

ADHPL Delivered Energy/power

The Total Delivered Energy/Power measured at Nalagarh minus, the M/S Kanchanjunga and EPPL, Delivered Energy/Power shall be “ADHPL Delivered Energy/power”.

ADHPL Installed Capacity

is 192 MW (as per Techno Economic Clearance);

ADHPL Project

has the meaning ascribed to it in Recital A;

Agreement

means this Interim Power Transmission Agreement;

Applicable Law

means any statute, law, ordinance, notification, rule, regulation, judgment, order, decree, bye-law, approval, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of the Government of India, Government of Himachal Pradesh or any Government Instrumentality or instrumentality thereof, as may be in effect on the date of the execution of this Agreement and during the subsistence thereof and applicable to the subject matter of this Agreement.

Appointed Date

means the date on which connectivity has been provided to M/S Kanchanjunga at interconnection points after meeting out the technical criteria.

Appropriate Commission

shall have the same meaning as set out in Section 2(4) of the Electricity Act, 2003 as amended from time to time;

Associated Transmission System

Means the Associated Transmission System (ATS) forming part of the ADHPL Project comprising 220 kV Double Circuit Line between ADHPL Project and Nalagarh Sub-station of CTU including two bays (owned by ADHPL) at Nalagarh Sub-station (owned by the CTU), two bays at Prini (owned by ADHPL) .

CEA

means the Central Electricity Authority of India constituted under the Electricity (Supply) Act, 1948 and operating under the Electricity Act, 2003 including any successors which fulfill the same role;

CERC

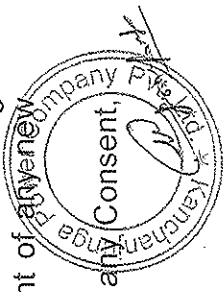
means Central Electricity Regulatory Commission of India constituted under Section 76 of the Electricity Act, 2003 and any successors which fulfill the same role;

Change in Law

means the occurrence of any of the following after the date of this Agreement:

- a) the enactment, bringing into effect, adoption or promulgation of any new Applicable Law,
- b) the repeal, amendment, modification or re-enactment in whole or in part of any existing Applicable Law,
- c) the commencement of any Applicable Law,
- d) a change in the interpretation or application of any Applicable Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Applicable Law,
- e) the imposition (other than for cause) of a requirement for a Consent which did not exist, or was not applicable to ADHPL on the date of this Agreement,
- f) a change (other than for cause) in the terms and conditions attaching to a Consent after it has been given or the attachment of new terms or conditions to such Consent,
- g) the revocation or cancellation (other than for cause) of any Consent, or


Navdeep Singh
MD (Gen)
HPTCL Barowalla
House, Kudial, Shimla-2



- h) change in the rate of tax, cess, levies, import duties or like charges, including the imposition of a new tax, cess, levy, import duty of like charges.
- i) Decision/Order of the Hon'ble Supreme Court of India in civil appeal number 1795/2013 between ADHPL vs EPPL and Ors in respect of use of a dedicated transmission system by others

**Check Meters
Consent**

refers to the check meters as depicted in **Schedule III**.

shall mean and include all authorizations, consents, licenses, approvals, registrations, clearances, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided;

**Total Delivered
Energy/Power**

means the total Energy/Power injected at the Nalagarh Pooling Point through the Associated Transmission System as determined in kWh on the basis of the readings of the Main Meters or Check Meters installed at the Nalagarh Substation.

Due Date

Has the meaning ascribed to it in **Schedule IV**;

EPPL

mean Everest Power Private Limited;

**EPPL Delivered
Energy/Power**

"EPPL Delivered Energy/power" shall be EPPL Injected Energy/power at Chaurar Sub-station minus 4.75% of EPPL Injected Energy/power at Chhaur Sub-station.

**EPPL Injected
Energy/Power**

means the total energy/power generated and sent out by both the generating units of EPPL Project, as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Point at Chhaur ("EPPL Injection Point"). This amount of total energy/power injected shall be referred to as the "EPPL Injected Energy/power";

EPPL Injection Point

Means the Interconnection Point at Chhaur.

Forced Outages

means an outage that has not been scheduled to occur in accordance with the agreed Scheduled Outage as per the definition of the Indian Electricity Grid Code;

HPPTCL Assets

means 33/220 kV Phojal substation along with electrical and mechanical apparatus and 220 kV D/C Transmission Line from Phojal Sub-station upto the point of interconnection with ATS of ADHPL.

M/S Kanchanjunga

means **M/S KANCHANJUNGA POWER COMPANY PRIVATE LIMITED** (24 MW Baragaon SHEP in Distt Kullu) having a back to back transmission agreement with HPPTCL for evacuating their power by use of ADHPL's ATS.

Injected Energy

means the total energy/power of M/S Kanchanjunga injected by HPPTCL at interconnection points as determined in kilo watt hours ("kWh")/kw on the basis of the meter readings recorded by the Main Meters or Check Meters at Interconnection Points at Phojal This amount of total energy/power injected shall be referred to as the "M/S Kanchanjunga Injected Energy/Power";

Delivered Energy

means energy injected by M/S Kanchanjunga minus losses 4.75% of Injected Energy and minus the Transmission losses in the HPPTCL system. (As discussed in clauses 3.5 & 3.6 of IPTA)

**Indian Governmental
Instrumentality**

means Government of India, Government of any State of India or any Ministry, department, board, authority, instrumentality, agency, corporation or commission under the direct or indirect control of Government of India or any State Government or any political subdivision of any of them or any court or tribunal or judicial body in India;

[Signature]
B. S. Barowalia
(B. S. Barowalia, Chairman-2)

**Indian Electricity Grid
Code or "IEGC"**

means the Grid Code as defined in the Electricity Act, 2003;

Interconnection Facilities

means the facilities set up by HPPTCL at Phoal in the Kullu District of Himachal Pradesh, as may be required for the transmission of energy through the use of the Associated Transmission System, in accordance with the provisions of this Agreement and Prudent Utility Practice.

Interconnection Points

means the points at which HPPTCL injects the power for M/S Kanchanjunga into the Associated Transmission System of ADHPL from 220 kV substation of HPPTCL at Phoal.

Invoices

has the meaning ascribed to it in **Schedule IV**.

Invoice Dispute

means a dispute with regard to Invoices issued in accordance with **Schedule IV**.

Invoice Dispute Notice

has the meaning ascribed to it in **Schedule IV**;

KW

means kilowatt;

KwH

means kilo watt hours;

Letter of Credit

has the meaning ascribed to it in **Schedule IV**;

Loss

means any loss, liability, damage, cost, expense, interest, fines, penalties, claims and amounts paid in settlement, suffered, incurred, paid or payable by ADHPL (including loss, or exposure, or cash call, shortfall or deficiency of any kind in connection with the transactions contemplated by this Agreement;

refers to the main meters as depicted in **Schedule III**;

Main Meters

**Monthly Transmission
charges Invoice**

has the meaning ascribed to it in **Schedule IV**;

**Monthly Transmission
charges Payment**

has the meaning ascribed to it in **Schedule IV**;

Nalagarh Pooling Point

means the point at which the Associated Transmission System connects with the 220kV Bus Bars at Nalagarh Substation of CTU.

Nalagarh Substation

Means the substation established by CTU at Nalagarh.

NRLDC

means the Northern Region Load Dispatch Centre constituted under the Electricity Act 2003;

Prudent Utility Practices

means the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation, repair and maintenance of Project equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:

- (i) operation, repair and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the project,
- (ii) the requirements of Applicable Laws, and
- (iii) the physical conditions at the Site.

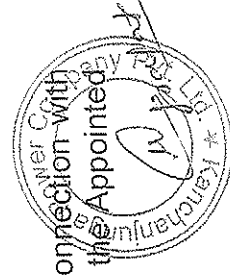
Scheduled Outage

means an outage of the Associated Transmission System undertaken in accordance with the Scheduled Outage Plan;

Scheduled Outage Plan

means the plan to be agreed upon by the Parties in connection with the scheduled outages and which shall take effect from the Appointed Date;


H.P. T. Chandel
Member, Board of Directors
HPPTCL, Barowalia
Hansi, Jalandhar, Punjab-2



HPSLDC

Means the Himachal Pradesh State Load Dispatch Centre as constituted under Section 31 of the Electricity Act, 2003;

Supplementary Invoice

means an invoice from ADHPL to HPPTCL as referred to in Schedule IV;

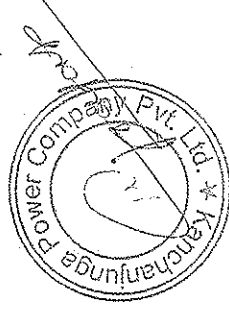
Transmission charges

means the charges for evacuation of Injected Power of M/S Kanchanjunga to be calculated based on Schedule II and as discussed in clauses 3.4 of this Agreement.

Deviation charges

Has the meaning set out in CERC regulations, Deviation settlement mechanism notified in 2014 as amended from time to time.

[Signature]
Director
HPPTCL
Himachal Pradesh
Electricity Corporation Ltd.
Himachal Pradesh



SCHEDULE II – TRANSMISSION CHARGES of ADHPL System

(Calculation of the Interim Transmission charges)

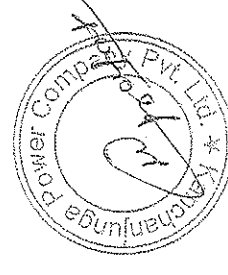
Sr.No.	Description	Amount	charges payable as per CERC Regulations	Value as per CERC Regulations	Value	Amount payable annually
1	Capital cost – 100%	414,30,61,000#	Operation and Maintenance charges **		Lumpsum	2,20,00,000
2	Loan – 70%		Depreciation on capital	5.28% on 90% capital	5.28%	19,68,78,258
3	Equity – 30%		Interest on borrowed capital	Rate of interest to be weighted average for const period	11%	31,90,15,967
4	Interest on working capital		Return on Equity	15.5% Income tax at present, MAT as applicable at 20.007755%	19.38%	24,08,38,752
			Working Capital	2 months receivable	13,30,12,180	
				15% of O&M as cost of spares	33,00,000	
				1 months O&M cost	18,33,333	1,93,40,372
				Working Capital	13,81,45,513	
				14% Working Capital	1,93,40,372	
	To be received annually from ADHPL, HPPTCL for Kanchanjunga and EPPL for total transmission of 316 MW					79,80,73,079
	M/S Kanchanjunga portion of charges for 24 MW annually					6,06,13,145
	M/S Kanchanjunga portion, equivalent to 24MW, payable monthly					50,51,095
	EPPL portion, equivalent to 100 MW, payable annually					25,25,54,800
	EPPL portion, equivalent to 100 MW, payable monthly					2,10,46,233

Note: The taxes & duties as applicable are additionally payable by M/S Kanchanjunga, over and above the invoice value.

The capital Cost tentatively considered above for working out Transmission charges is based on a letter from auditors of ADHPL.

** For the purpose of calculation of the Transmission charges, O&M charges have been taken as Rs. 2,20,00,000 (lump sum).

(Signature)
 M/S Kanchanjunga
 HPPTCL, Barowalia
 House, Kachhi, Chindia-2





SCHEDULE IV - PAYMENT AND BILLING

4.1 Transmission charges

The Appointed Date shall be the date of interconnection of M/S KANCHANJUNGA Assets with HPPTCL Assets and further with Associated Transmission System of ADHPL at Interconnection Point.

From the Appointed Date, M/S Kanchanjunga shall pay HPPTCL the Transmission charges. The Transmission charges shall be paid on a monthly basis ("Monthly Transmission charges") via a Monthly Transmission charges Invoice, and such monthly payment is referred to as "Monthly Transmission charges Payment". Calculation of Transmission charges shall be done as per the methodology given in Schedule II and as notified in para 3.5 of the agreement.

4.2 Other Payments

Any other payment, reimbursement or charges payable by HPPTCL to ADHPL and M/S Kanchanjunga to HPPTCL, including, but not limited to, any payment in relation to Change in Law charged by ADHPL or HPPTCL will be paid by M/S KANCHANJUNGA via a Supplementary Invoice and vice versa.

4.3 Each Party shall be responsible for paying their respective UI/Deviation charges that are payable by such Party as determined by the Northern Regional Load Dispatch Centre/HPSLDC.

4.4 Delivery of Invoices for the usage of ADHPL /HPPTCL System

ADHPL shall submit to HPPTCL the Supplementary Invoices and the invoice for the Monthly Transmission charges Payment based on agreed connectivity in terms of MW corridor ("Monthly Transmission charges Invoice"), which shall be collectively referred to as "Invoices", by the 5th (fifth) day of the succeeding month (or, if such day is not a business day, the immediately following business day). The Invoices will include the computation of the demand payment or the Monthly Transmission charges payable where applicable, in respect of the immediately preceding month.

4.5 After the receipt of the invoice by HPPTCL from ADHPL, the same shall be either emailed/ faxed/ Hand delivered/couriered to M/S Kanchanjunga within 3 days for payment of the same to ADHPL/HPPTCL.

4.6 Delivery of HPPTCL Invoices for the usage of HPPTCL System

Along with the passing on of the ADHPL invoices to M/S Kanchanjunga, HPPTCL shall also raise its invoice for the usage of the transmission system by M/S Kanchanjunga.

4.7 The 'Due Date' of the invoices shall be reckoned as 50 days for the invoices of ADHPL & 60 days for the invoices of HPPTCL from the date of presentation of invoices by HPPTCL. The invoice shall be either emailed/ faxed/ Hand delivered/couriered by HPPTCL and delivery of any/either of these shall be construed as delivery to M/S Kanchanjunga.

4.8

Each Invoice shall include detailed calculations of the amounts payable under it, together with such further supporting documentation and information.

Signature
HPPTCL (Cam)
HPPTCL Barowalia
House 49

Payment of Invoices raised by ADHPL for the usage of ADHPL Systems

M/S Kanchanjunga shall deposit the amount payable to ADHPL under Invoices

into the account nominated by HPPTCL or directly to ADHPL through the letter of credit under intimation to HPPTCL, as under.

- a) If M/S Kanchanjunga pays the full invoice within 21 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
- b) If M/S Kanchanjunga pays the full invoice beyond 21 days of presentation of such Invoices, but within 50 days, no rebate shall be allowed.
- c) If M/S Kanchanjunga does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharges shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL, calculated on a daily basis.
- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by ADHPL on or before the Due Date.
- e) If M/S Kanchanjunga fails to pay any Invoice raised by ADHPL on or before the Due Date ADHPL may, except in the case of an Invoice Dispute, draw upon the Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to HPPTCL and accompanied with a declaration by ADHPL that the amount due under such Invoice has not been paid by M/S Kanchanjunga. In the case of an Invoice Dispute, ADHPL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;

4.10 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, M/S Kanchanjunga shall make payment to ADHPL/HPPTCL to the extent the charges are not the subject of an Invoice Dispute, and same shall be deemed payable in full by M/s Kanchanjunga to HPPTCL/ADHPL.

4.11 Disputed Invoices

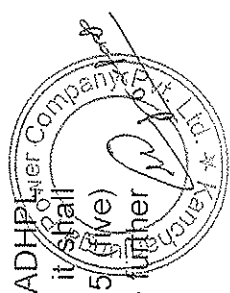
If M/S Kanchanjunga does not question or dispute an Invoice within 4 (four) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If M/S Kanchanjunga disputes any item or part of an item set out in any Invoice then M/S Kanchanjunga shall serve a notice ("Invoice Dispute Notice") on HPPTCL within 4 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

4.12 Notwithstanding that M/S Kanchanjunga has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL/ADHPL:

- (a) the remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- (b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.11 of what the item or part of an item which is disputed should be. The estimate shall be furnished by HPPTCL along with Invoice Dispute Notice.

4.13 HPPTCL shall pass on the above mentioned disputed invoice notice to ADHPL and if ADHPL agrees with the Invoice Dispute Notice to which it relates, it shall adjust the Invoice or refund the applicable amount to HPPTCL within 5 (five) days of receipt of the Invoice Dispute Notice and estimate which shall be further refunded to M/S Kanchanjunga by HPPTCL.

For HPPTCL
HPPTCL
House, Kachin, Ganga-2



4.14 Payment of Invoices raised by HPPTCL for the usage of HPPTCL System

M/S Kanchanjunga shall deposit the amount payable to HPPTCL under Invoices, into the account nominated by HPPTCL.

- a) If M/S Kanchanjunga pays the full invoice within 30 days of presentation of such Invoices, a rebate of 1% shall be allowed on the basic invoice value (excluding taxes and duties).
- b) If M/S Kanchanjunga pays the full invoice beyond 30 days of presentation of such Invoices, but within 60 days, no rebate shall be allowed.
- c) If M/S Kanchanjunga does not pay an Invoice on or before the Due Date, any amount remaining unpaid after the Due Date, shall bear surcharge @ 1.25% (one point two five percent) per month. Such surcharge shall be calculated on simple rate basis and shall accrue from the Due Date until the amount due is actually received by HPPTCL.
- d) Such amount shall be paid through the revolving letter of credit, or immediately available and freely transferable cleared funds by way of bank transfer or cheque payment. For the avoidance of doubt it is expressly clarified that in the case of a cheque, such funds must be cleared and available to be used by HPPTCL on or before the Due Date.
- e) If M/S Kanchanjunga fails to pay any Invoice on or before the Due Date HPPTCL may, except in the case of an Invoice Dispute, draw upon the Fixed Deposit Receipt / Bank Guarantee for payment of the Invoice by presenting to the relevant issuing bank a copy of the Invoice that has been delivered to M/S Kanchanjunga and accompanied with a declaration by HPPTCL that the amount due under such Invoice has not been paid by M/S Kanchanjunga. In the case of an Invoice Dispute, HPPTCL shall only be entitled to draw that amount of the Invoice that is not subject to a dispute;

4.15 If any amount under the Monthly Transmission charges Invoice is the subject of dispute, M/S Kanchanjunga shall make payment to HPPTCL to the extent the charges are not the subject of an Invoice Dispute.

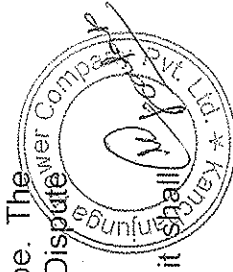
4.16 Disputed Invoices

If M/S Kanchanjunga does not question or dispute an Invoice within 7 (seven) days of receiving it, the Invoice shall be considered correct and complete and conclusive between the Parties. If M/S Kanchanjunga disputes any item or part of an item set out in any Invoice then M/S Kanchanjunga shall serve a notice ("Invoice Dispute Notice") on HPPTCL within 7 days of receiving the invoice, setting out the item or part of an item set out in such Invoice which is in dispute together with its estimate of what such item or part of an item should be.

4.17 Notwithstanding that M/S Kanchanjunga has issued an Invoice Dispute Notice, it shall be required to pay to HPPTCL:

- a) The remainder of the items set out in the relevant Invoice in relation to which there is no dispute; and
- b) Its estimate, as set out in the Invoice Dispute Notice pursuant to Paragraph 4.14 of what the item or part of an item which is disputed should be. The estimate shall be furnished by M/S Kanchanjunga along with Invoice Dispute Notice.

4.18 If HPPTCL agrees with the Invoice Dispute Notice to which it relates, it shall



adjust the Invoice or refund the applicable amount to M/S Kanchanjunga within 5 (five) days of receipt of the Invoice Dispute Notice and estimate.

4.19 Payment Security to ADHPL

Within 7 days from the date of this Agreement, M/S Kanchanjunga shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit favoring HPPTCL and ADHPL as third party beneficiary.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 50,51,095/-.

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, M/S Kanchanjunga will also provide a Bank Guarantee from a scheduled Bank with ADHPL as beneficiary in an acceptable form to ADHPL, equal to the 1 month Transmission charges payment i.e. 50,51,095/- (valid all the times).

4.20 ADHPL may assign the letter of credit for the benefit of its lenders.

4.21 Payment Security to HPPTCL

Within 7 days from the date of this Agreement, M/S Kanchanjunga shall provide HPPTCL, at its own cost, the following:

- (a) A fully automatic, irrevocable and revolving back to back Letter of Credit shall be established, so that it will be renewed to its full value immediately upon each call being made on such Letter of Credit.

The value of the Letter of Credit during the Term of this Agreement will be equal to the estimated value of 1 month Transmission charges payment, which is Rs. 9,60,000/-

The Letter of Credit shall be for a term of not less than 12 (twelve) months. Such Letter of Credit will be in force from the Appointed Date. It will be a revolving Letter of Credit and shall be replenished forthwith for a further 12 (twelve) months.

- (b) In addition to (a) above, M/S Kanchanjunga will also provide a Bank Guarantee from a scheduled Bank with HPPTCL as beneficiary in an acceptable form to HPPTCL, equal to the 1 month Transmission charges payment i.e. 9,60,000/- (valid all the times).

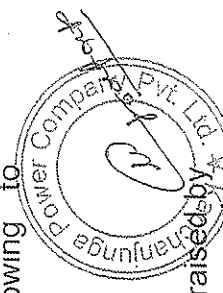
4.22 Taxes and Duties

M/s Kanchanjunga shall pay all taxes and duties along with cess and any other charges or levies as applicable in respect of any amount owing to ADHPL/HPPTCL under the Invoices.

4.23 Disconnection on account of default

Plavate
HPPTCL (Gan)
HPPTCL Barrow
House, Radial, Shirdi-2

In case M/s Kanchanjunga fails to make payment of either of the bills raised by ADHPL or HPPTCL for a period of 60 days, a 30 days notice of disconnection



will be served upon M/s Kanchanjunga and even if the payment is not received within 30 days notice period, the wheeling/ transmission of power of M/S Kanchanjunga will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

Further, in case M/s Kanchanjunga is not able to renew / extend the letters of credit or bank guarantees as provided in this schedule hereof, the wheeling/ transmission of power of M/S Kanchanjunga will be stopped and isolated by disconnecting the circuit breakers of 33kV voltage level at Phojal Sub-Station without any further intimation.

For and on behalf of
M/s (CAN)
MPTCL Barowala
House, Kuchhi, Shimla-2

